

# Herald Tribune

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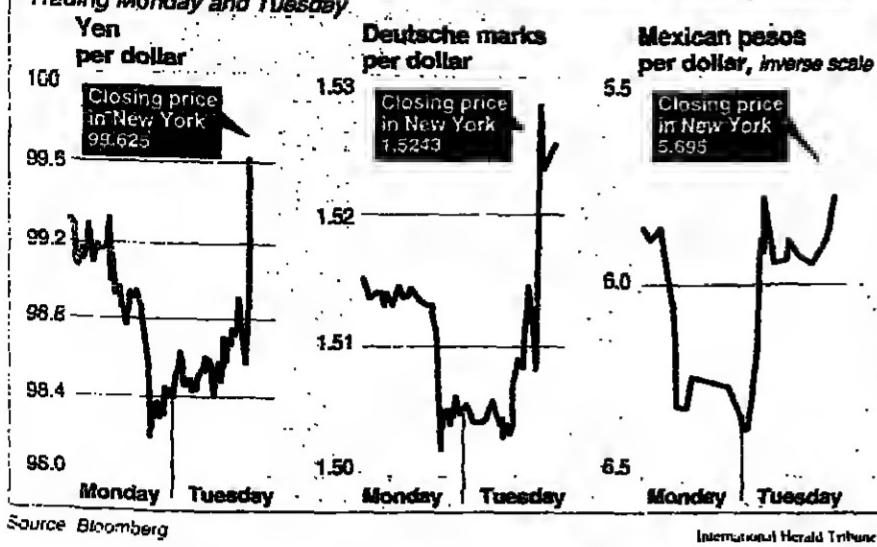
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Paris, Wednesday, February 1, 1995

No. 34,813

## Dollar and Peso Rebound

Trading Monday and Tuesday



Source Bloomberg

## Clinton Sidesteps Foes to Aid Mexico

President Gives Up on Congress and Turns Elsewhere for Loans

By Paul F. Horvitz  
*International Herald Tribune*

WASHINGTON — President Bill Clinton's aid plan for Mexico collapsed Tuesday, but the president swiftly announced that he would bypass Congress and order new U.S. loans to supplement a fresh international rescue package totaling \$50 billion.

After three weeks of urgent talks during the peso's sharp decline, Mr. Clinton was forced to abandon his effort to win congressional approval of \$40 billion in loan guarantees to help Mexico pay its growing foreign debt.

Instead, he vowed to use his own author-

ity to create a \$20 billion line of credit for Mexico, \$11 billion more than had previously been promised by the United States.

He also disclosed that the International Monetary Fund and central banks in the wealthy industrial nations, including the Federal Reserve, would together raise their credit lines to Mexico to \$27.5 billion.

Bypassing Congress was necessary, a top U.S. official said, "because the prospects of default by the Mexican government in its obligations became very real and because of congressional reluctance to pass the loan guarantees."

"We cannot risk further delay," Mr. Clinton declared after a morning meeting

at the White House in which top leaders in Congress told the president that his legislative plan would face a long delay and possible defeat. "I will act to protect our interests."

Currency and stock traders were encouraged by the president's announcement, sending the peso, the dollar and the Mexican stock market sharply higher. The peso closed at 5.6950 to the dollar, compared with its Monday close of 6.3500, while the Mexican stock market rose 10.2 percent. (Page 9)

Treasury Secretary Robert Rubin said, "The financial distress had reached the

point where it was absolutely imperative that the president act and act now."

The startling development in Washington appears to mean that the Treasury will use its multibillion-dollar Exchange Stabilization Fund for the first time to prop up a currency other than the dollar.

"We feel," Mr. Rubin said, "there is a very high probability that this will be successful in re-establishing confidence in Mexico, causing private capital markets to again work and allowing the strong fundamentals of the Mexican economy to reas-

See MEXICO, Page 5

## 100,000 Flee As Rivers in Netherlands Keep Rising

By Stephen Kinzer  
*New York Times Service*

AMSTERDAM — Caravans of cars, trucks, buses, tractors and bicycles — many of them heavily loaded with suitcases and furniture — choked roads out of flooded regions of the Netherlands on Tuesday as the country faced its greatest natural catastrophe in more than 40 years.

Nearly 100,000 people have left their homes, and the authorities Tuesday urged more than 140,000 more to do so.

The flood claimed its first Dutch victim Tuesday as one of two people who washed into the Waal River near the village of Winssen drowned.

In much of Germany, Belgium and France, the floodwaters stopped rising and even began to recede on Tuesday. But in the Netherlands, experts said the flooding had probably not yet reached its peak.

The death toll in the latest flooding across northwestern Europe was reported at 29, with several other people missing.

Rob Weeda, spokesman for a crisis relief center in Arnhem, Netherlands, said, "It's a giant exodus, everyone moving at the same time on two-lane roads."

"It was unavoidable when the water reached unprecedented levels," Mr. Weeda said. "It is forecast to reach its high point on Wednesday afternoon and hold for some days. That could put such pressure on the dikes that experts said they could not guarantee the dikes would hold."

Dutch television broadcast aerial footage showing villages where only the tops of houses were visible. A sequence from Venlo, on the German border, showed residents rowing through their neighborhood as debris floated past. Some homes were completely submerged.

The police were under orders to remove anyone in the affected area of the Netherlands who refused evacuation. Large areas of the country were declared "no-go zones," where no one will be allowed to enter until the flooding recedes.

Areas around Nijmegen, Arnhem and Bommelerwaard were inundated. At Loosdrecht, on the German border, floodwaters from the Rhine were measured at 54 feet 6 inches above sea level.

In Germany, floodwaters from the swollen Rhine River began slowly to fall back on Tuesday after cresting in Cologne on Monday night at 10.69 meters (34 feet), the highest for nearly 70 years, and three times more than the normal level. Large sections of Cologne remained under more than two meters of water.

This week's deluge called up the collective Dutch memory of the 1953 flood that was this country's worst modern peacetime disaster. In that flood, waters from the North Sea broke through dikes in the southern province of Zeeland, taking more than 1,800 lives.

This week's flooding was triggered by heavy rains that have been falling over much of northern Europe for days. It was the second time in as many winters that the region has been devastated by floods, leading some experts to suggest that a new meteorological pattern was emerging.

The Netherlands' environmental minister, Margaretha de Boer, said that the

See FLOODS, Page 5



Residents of the Dutch villages of Arcen and Velden passing sandbags Tuesday to reinforce dikes along the Meuse River in Limburg Province. Flooding has forced thousands in northern Europe to flee. (Raymond Rutting, Agence France-Presse)

## Islamic Edict Complicates Mideast Peace

By Youssef M. Ibrahim  
*New York Times Service*

PARIS — An explosive argument over whether making peace with Israel conforms to the precepts of Islam is building among Muslim theologians in Saudi Arabia and Egypt, adding a new layer of complications to the Middle East peace talks.

The issue flared after Saudi Arabia's highest theological authority, Sheikh Abd al-Aziz ibn Baz, issued a religious edict, or *fatawa*, in December affirming the right of Saudi rulers to pursue normal relations with Israel.

Sheikh Baz cited a verse from the Koran — "If the enemy moves toward peace, you shall too, placing your dependence upon God" — as a basis for his ruling that Saudi leaders may seek, under some cir-

cumstances, to make peace with Jews.

The edict went on to say it would therefore be illegal and sinful for faithful Muslims to obstruct the Saudi rulers' decision to negotiate with their Israeli enemies.

Sheikh Baz wrote that in view of Prophet Mohammed's willingness to declare a truce with his enemies in the battle of Mecca, "it is proper for the ruler to agree to a truce if he sees there is benefit in that."

As Saudi Arabia's supreme religious figure, the sheikh is in charge of Islamic institutions that encompass tens of thousands of students, teachers and officials in Saudi universities, religious ministries, Koranic schools and mosques.

Arab diplomats familiar with these developments said the edict had been solicited by the Saudi royal family to endorse its

decision to lift a boycott imposed by Arab countries on companies dealing with Israel, Saudi Arabia and Arab emirates in the Gulf officially lifted the ban last fall.

Signals from Gulf Arab governments that they are heading toward a greater opening with Israel had aroused significant protests all summer from the religious establishments in the Gulf region and among Muslim fundamentalists in Egypt, who are in close touch with the Gulf fundamentalists.

In Saudi Arabia, some preachers in their Friday sermons denounced talk of normalizing ties with Israel as contrary to the teachings of Islam. The government began arresting scores of religious figures and their followers in September to stifle the criticism, which was also expressed in leaflets.

See ISLAM, Page 5

## France Calls for 'Last-Chance' Talks on Bosnia

By William Drozdak  
*Washington Post Service*

PARIS — Warning that a wider Balkan conflagration could happen by spring, France on Tuesday proposed a last-gasp international conference to resolve territorial claims by rebel Serbs in Croatia and Bosnia before all hope for peace in the former Yugoslavia was dashed.

Foreign Minister Alain Juppé declared that the only way to break the impasse and avoid a deadly new cycle of fighting was to convene "a summit meeting of the main protagonists in the tragedy," followed by broader talks involving the United States, Russia and the European Union.

"I have reached the conviction that this is the last-chance scenario for everyone," Mr. Juppé said in the newspaper *Le Monde*.

"In three months, we risk seeing Bosnia in flames again, and also Serbs and Croats fighting in Krajina with the threat of contagion spreading to the whole of the former Yugoslavia."

The prospect of intensified warfare throughout the region has grown more ominous in recent days as the governments of Croatia and Bosnia step up pressure to recapture lost territory, while rebel Serbs in both states continue to reject compromise peace proposals.

In Croatia, President Franjo Tuđman has vowed to expel 12,000 United Nations peacekeepers by the end of March. They have served as a buffer between Croatia's forces and the rebel Serbs who occupy much of the Krajina region, a large slice of mountainous territory along the Bosnian border.

The Croatian Serbian minority seized the area, which makes up about one-third of the country, after becoming alarmed about their fate when Croatia seceded from Yugoslavia in 1991. They have vowed to establish an independent republic, with

See BOSNIA, Page 5

## A Weary Warrior Tells Of Taking On Russians

Familiar Turf Is Advantage, He Says

By Michael Specter  
*New York Times Service*

Presidential Palace, which has now been almost destroyed.

"We fight for a week and then a new group comes in and we rest," he said. "In each battle group there can be from 20 to 50 people."

He talked at length about the disastrous initial Russian attack on the Chechen capital, one of the most humiliating moments in Russia's modern military history, in which hundreds of soldiers were sent to the city without maps, battle plans or the ability to communicate with reinforcements or their superiors.

"That night they came in with enormous force," he said of the New Year's Eve assault. "It was only the fact that we had anti-tank grenades that saved us. In every house, every corner, every basement, we waited for them as they came into the city." When the tanks arrived at their positions in the center of the town they were destroyed en masse.

Asked if the Russians had learned anything from that first offensive, he replied curtly: "They have learned nothing. But the people who have been taken prisoner by them have learned what torture is," repeating an often-heard, though unproven, allegation that Russian soldiers are torturing prisoners.

See WARRIOR, Page 5

## Kiosk

### A Fatal Train Collision in England

CARLISLE, England (AP) — One person died and about 30 were injured late Tuesday when two passenger trains crashed in a remote valley in Cumbria, northern England, the authorities said.

A spokesman for Cumbria Fire Service was quoted by satellite television as saying one person had died and that

there were about 30 "walking wounded."

The police said the trains collided at 7:00 P.M. on the line between the towns of Carlisle and Settle.

International Classified Page 7

## New Troops for Old Battle on Peru-Ecuador Border

By Gabriel Escobar  
*Washington Post Service*

CHACRAS, Ecuador — The Peruvian Army is entrenched in a mango grove across the international boundary, a river that at this point dwindles to a brook. That is all that separates the "enemy" from this town where Ecuadorans have died for their country before and who will defend it again to the death.

A border clash in the virtually unpopulated mountains northeast of here has turned into a tense stalemate along this more crowded portion of the border.

As Ecuadoran and Peruvian troops move into towns and fortify their positions, the elderly, women and children on both sides are moving out — sometimes voluntarily and sometimes under military orders — leaving their homes in the hands of husbands, sons and soldiers.

[Ecuador said Tuesday that it had agreed to a cease-fire with Peru, but Peruvian officials later said Lima had not agreed to a halt in hostilities. The Associated Press reported from Quito. Diplomats from the two countries met in Rio de Janeiro to discuss the dispute.]

Each side in the fighting over a remote stretch of land

in the Cordillera del Condor has reported casualties, and an official of the International Red Cross said both sides apparently had taken prisoners. Still, there was no confirmed report of any fighting Tuesday.

But the reports from the front and the deployment of troops have raised the level of anxiety along this border, where Peruvians and Ecuadorans fought a war in 1941 and have had to live with periodic tension. Over the last few days, towns and villages in both countries promoted "civic fervor" marches.

In Huaquillas, connected by a bridge to the Peruvian town of Aguas Verdes, the border was still open but tension was notable. Commerce between the two sides, the economic engine of the region, fell to a trickle, and residents said Ecuadoran soldiers had prevented them from traveling to Aguas Verdes to sell produce. A flyer circulating on the streets in Huaquillas referred to Peru as the "aggressor to the south" and urged people to march to the front.

Here in Chacras, the scene of a revered stand by Ecuadoran soldiers in 1941, most of the families have left their homes and only a handful of people remain. Sol-

diers have dug foxholes along a stretch of the Pan-American Highway and deployed along the border.

"We want this decided once and for all, through peaceful means or with weapons," said José Monje Rodríguez, 72, a veteran of 1941. "We don't want to live under a threat any more; they will have to walk over our bodies."

Although the two countries have maintained cordial relations for years, the border disputes are not forgotten by either side. Ecuador is particularly sensitive because it has lost on the losing side of several land disputes, and large tracts of territory have been ceded to Brazil, Colombia and Peru.

In January 1942, Peru and Ecuador signed the Protocol of Rio de Janeiro, which was approved by the legislative bodies of both countries and should have settled the border dispute. But the area where the conflict has now erupted was never marked off, and Ecuador challenged the accord in 1960. Now the belief is that the zone is rich in

See BORDER, Page 5

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Antilles ... 11.20 FF	Morocco ... 12 Dh	
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France ... 9.00 FF	Saudi Arabia ... 9.00 R.	
Gabon ... 9.60 CFA	Senegal ... 9.60 CFA	
Greece ... 350 Dr.	Spain ... 22 PTAS	
Italy ... 2,600 Lire	Tunisia ... 1,000 Din	
Ivory Coast ... 1.120 CFA	Turkey ... T.L. 45,000	
Jordan ... 1 JD	U.A.E. ... 8.50 Dirh	
Lebanon ... US\$1.50	U.S. M.L. (Eur.) \$1.10	

Dow Jones Trip Index		
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# Europeans and Arabs Shrug Off U.S. Reversal on Test Ban

By Joseph Fitchett  
*International Herald Tribune*

**PARIS** — In finally agreeing to drop an obscure demand in connection with a proposed treaty banning nuclear tests, the Clinton administration has done little to strengthen the prospects for achieving the broader goal of preventing nuclear proliferation, Western and Arab officials said Tuesday.

They were reacting to the U.S. policy switch on a test ban this weekend that appears to be aimed mainly at persuading more nations to sign up for another, quite separate agreement: the nonproliferation treaty. Coming up for renewal in April, it concerns limits on the nuclear aspirations of all countries, regardless of whether they already have such weapons.

That treaty should be given permanent status, according to the United States. So, as a gesture of good intentions, Washington dropped its demand — which was controversial from the outset — for the right to opt out after 10 years from a comprehensive test ban treaty now being negotiated.

Without that pressure, they said, it may be hard to find the estimated 20 countries needed to transform the current nonproliferation treaty into a permanent agreement.

Initially, however, the Clinton administration acceded to the longstanding doctrine, enshrined in the Pentagon, that any ban on nuclear testing might close the door on inventions that could lead to the development of new types of weapons.

In the broader context of nuclear security for the West, the U.S. position "amounted to technicians' demand for scientific overkill," a British official said, and the only surprise was how long it took the Clinton administration to drop it.

The U.S. tactic is welcome, European officials said, if it foreshadows strong U.S. diplomatic pressure, including economic and other pressure on holdout nations as different as Mexico and Kuwait, to get a permanent nonproliferation treaty.

Without that pressure, they said, it may be hard to find the estimated 20 countries needed to transform the current nonproliferation treaty into a permanent agreement.

Regional tensions — for example, Arab countries' resentment at Israel's nuclear potential — explain the reluctance of numerous nations in the Middle East, Africa, Asia and South America to sign an agreement renouncing their hopes of joining the club of nuclear-armed nations.

These political ambitions are unlikely to be changed, Arab officials said, simply by a flurry of promises to curtail U.S. programs. European officials added that the Clinton administration should never have allowed the demand for an escape clause to be imposed in the first place by nuclear hawks in Washington.

Similarly, a French official challenged U.S. negotiating tactics — characterized as "last-minute demagoguery by the Clinton administration" — because Washington's approach may have made the nonproliferation treaty hostage to an agreement on nuclear testing.

"It may be impossible to sign a serious, verifiable document on testing for another year, and some governments may now seize on this as a pretext for not signing the more fundamental treaty against proliferation," the French official said.

France seems eager for a test-ban treaty, but French scientists are thought to need more time before they can rely on solely on simulations.

U.S. officials Tuesday accused France and China of wanting a year's delay in signing a comprehensive test ban — in effect, the elimination of underground nuclear tests following the elimination of atmospheric tests.

China set off its second test blast in four months last October.

U.S. officials, speaking as the Geneva disarmament talks reopened, also urged that negotiations begin right away on a worldwide ban on the production of fissile material — plutonium and highly enriched uranium — for nuclear explosives.

## China After Deng Called 'Up for Grabs'

### American Interests at Risk, A Pentagon Report Warns

Reuters

**WASHINGTON** — The odds are 50-50 of a Soviet-style breakup of China after the death of its paramount leader, Deng Xiaoping, according to a study for the Defense Department.

"China is up for grabs once Deng passes away," according to a report by a group of university and business scholars. In releasing the study, the Pentagon noted that it did not reflect official U.S. policy.

The study said that the odds of China's continuing much the way it is after Mr. Deng's death were about 30 percent. It said the prospect of China turning to liberal reforms favored by the West was the least likely, presumably the remaining 50 percent.

The study said the odds of a breakup were 50-50 because "there is no apparent internal balance of political forces, and Deng's death will create a political vacuum for both conservatives and reformers to move in."

Mr. Deng, 90, failed to make an annual Lunar New Year appearance on Monday, and a daughter has said his health was declining.

The study group concluded that a collective leadership would replace Mr. Deng and would not change his policies during a transition phase.

But it said, "There was a 50-50 chance that the transition would lead to a Soviet-style breakup of China."

"Whatever scenario dominates in the future," it added,

"all Chinas would be different from the present and all Chinas may challenge U.S. interests."

The report said that a strongman could emerge if there was a power struggle and that the army would support such a leader if he guaranteed it against disintegration.

It said a hard-line leader might build up Chinese military forces, try to develop a nuclear capability and take an anti-American, anti-Japanese line.

Another possibility was that regions of China would win greater control after Mr. Deng's death, possibly creating a federal union of Chinese provinces, the report said. It said this would not pose a military threat to the outside world but could bring social chaos to China and, possibly, a new political elite that relied on local organizations to maintain order.

#### ■ Attention Turns to Jiang

President Jiang Zemin dominated the front pages of newspapers Tuesday as a campaign continued to shore up his position amid concern about Mr. Deng's health, Agence France-Presse reported from Beijing.

In break with the past, no photographs or New Year statements by Prime Minister Li Peng or other senior Chinese leaders were published on the front page of the People's Daily or other state-run national newspapers.

Articles about Mr. Jiang's speech at a New Year's gathering filled most of the front page of the Communist Party paper.



DISASTER'S DETRITUS — Emperor Akihito and Empress Michiko, center and left, gazing at the wreckage of Kobe on Tuesday, two weeks after the deadly quake.

## Hungary Jails Ex-Aides for '56 Role

Agence France-Presse

**BUDAPEST** — A Hungarian court sentenced two former Communist officials Tuesday to five years in jail for their role in crushing the 1956 Hungarian uprising against Soviet domination.

The 12 were charged with firing into a crowd of unarmed demonstrators protesting Com-

munist rule on Dec. 8, 1956. Forty-six people were killed, including two children and a pregnant woman, and 89 were wounded.

Mr. Orosz pleaded not guilty and said he would appeal his sentence to Hungary's highest court. Mr. Toldi was hospitalized earlier in the trial.

In the first judicial ruling against officials in power at the

time of the uprising, the Budapest central court jailed Lajos Orosz, 66, and Ferenc Toldi, 70, and stripped them of their civilian rights for eight years. Ten other defendants were acquitted.

Mr. Orosz pleaded not guilty and said he would appeal his sentence to Hungary's highest court. Mr. Toldi was hospitalized earlier in the trial.

On environmental issues, he said, the old political parties are "completely compromised because they are dependent on contributions from vested interests and they're not prepared to take a hard look at the problems."

By Steven Greenhouse

*New York Times Service*

**WASHINGTON** — The Clinton administration got some good news Tuesday in the Republican-led Congress's first hearing on the START-2 nuclear treaty when Jesse Helms of North Carolina, a powerful committee chairman who traditionally opposes many treaties, had kind words for the accord with Russia.

Mr. Helms, chairman of the Senate Foreign Relations Committee, said that the treaty, which calls for cutting Washington's and Moscow's nuclear arsenals in half, "does meet reasonable standards of safety" by not cutting the American arsenal too sharply.

Nonetheless, Mr. Helms told the committee's leadoff witness, Secretary of State Warren M. Christopher, that he was concerned that Russia's brutal intervention in the breakaway region of Chechnya meant Moscow could not be trusted to make good on its promises.

Claiming that Russia had killed 17,000 children in Chechnya, Mr. Helms said, "I hope they understand that my problem is if you cannot trust them in one area, particularly where 17,000 little children are slaughtered, how can you trust them" on adhering to their treaty commitments.

Mr. Christopher rejected the idea that Russia could not be trusted, saying he did not think Russian behavior in Chechnya "affects their ability to comply with this treaty."

Mr. Christopher urged the committee to move swiftly to approve the treaty because that would help reduce dangerous nuclear stockpiles and would encourage the Russian Parliament to take up the treaty for ratification.

The START-2 treaty, which President George Bush signed in January 1993 with President Boris N. Yeltsin of Russia, would reduce the number of warheads in the two countries to between 3,000 and 3,500 by the year 2003. That is about half the number permitted under the START-1 treaty and less than a third the number before it started.

While most of the senators on the committee praised the START-2 treaty, several said the administration should hesitate before agreeing to new treaties that call for further cuts in the national nuclear arsenal.

## 'Light Green' Mayor Gives Dublin a Splash of Color

By James F. Clarity  
*New York Times Service*

**DUBLIN** — In his seven months as the first lord mayor of Dublin from the Green Party, John Gormley has not turned this vibrant but gray, distinctly Georgian, and somewhat grimy capital into a sparkling Emerald City.

Indeed, this city of almost 500,000 people still has much pollution and world-class traffic jams. Mr. Gormley and other environmentalists also fear that a British nuclear fuel reprocessing plant across the Irish Sea will pollute these shores, including Dublin Bay, which is already sullied with sewage bacteria.

But Mr. Gormley, 35, a German teacher who runs a private language school when he is not busy as the unselected lord mayor, is trying to improve the city until his one-year term expires in

summer, needling the politicians and bureaucrats who actually control Dublin life.

He was chosen lord mayor not because of any devotion to the environment but in a rotation system in which a different party gets the job each year.

In an interview in his official residence, Mansion House, he made it clear, though, that he is not what is known here as a "dark green" environmentalist — the kind that protests physically against nuclear installations and the animal-experimentation laboratories. Instead he is a "light green" — more pragmatic, less ideological.

He eats no meat and drinks only organically produced wine. But last fall, he met Penny Stuart, a social worker whom he describes, smiling, as "a carnivore and a driver."

In recent weeks, he has amused Dub-

liners, accustomed to frowning at elected officials riding around town in big government cars, by refusing to accept the official Volvo that goes with his job. He either walks or rides his bicycle to about half his official appointments, he said. And on Jan. 20, he accepted a bright red Volkswagen Golf, paid for by the city, that runs on rapeseed oil.

Mr. Gormley praises Dublin. "The quality of life here is very good," he said. "Kids are coming back to live. There is the whole music scene," with rock and jazz clubs as well as traditional music in pubs. "The film industry is booming. There's certainly a buzz about the city."

But there are serious problems, too, he said. Parts of Dublin — like the North Side, where the film "The Commitments" was made — have unemployment rates far above the national average of about 16 percent. Officials say

that that has produced a slight increase in violent crime and a large increase in burglaries.

Public disgust with some of the city's problems, the lord mayor said, has resulted in growing political support for the Green Party. It now has 4 of the 52 Dublin Council seats, and one legislator in the 166-member national Parliament.

"A poll just showed that people see the Greens as the most honest party," Mr. Gormley said. "People are sickened by the shenanigans in the Dail," as the Parliament is called in Gaelic. "But we are Greens have become more pragmatic," he said.

On environmental issues, he said, the old political parties are "completely compromised because they are dependent on contributions from vested interests and they're not prepared to take a hard look at the problems."

## Germany's Ex-Communists Renounce Their Past

By Stephen Kinzer

*New York Times Service*

**BERLIN** — The reformed East German Communist Party, bidding to broaden its ap-

peal and become a force in national politics, has denounced Stalinism and pledged to accept the established conventions of German politics.

At a weekend convention,

delegates overwhelmingly re-elected their party chairman, Lothar Bisky, who ran without opposition. Mr. Bisky, a moderate, had threatened to quit his post if the party did not approve a break with its Communist past.

The most prominent radical in the party leadership, Sahra Wagenknecht, a 25-year-old philosophy student, failed to win re-election. Miss Wagenknecht had lamented what she called "the abandonment of socialist ideals" since Stalin's death in 1953, and defended the 1968 invasion of Czechoslovakia as "the suppression of a counterrevolution."

Mr. Bisky's efforts to cut the party's ties to its Communist past were not entirely suc-

## AMERICAN TOPICS

### Quake-Damaged Cathedral Faces The Wrecker's Ball in Los Angeles

St. Vibiana's Roman Catholic cathedral, which suffers ominous new cracks with every earthquake, is to be torn down and replaced on the same site in downtown Los Angeles.

The 120-year-old Spanish Baroque Revival style building will be replaced by one in Spanish California Mission style.

Some preservationists are urging repairs instead of demolition. Architects warn that this would be prohibitively expensive and might not work. Private foundations underwriting \$35 million of the projected \$45 million cost of the rebuilding have stipulated that they want a new cathedral.

One parishioner, Andrew Gourde, says he sits only in the back of the sanctuary, near the exit, for a quick getaway.

Despite their objections to the planned demolition, preservationists applaud the church for staying in downtown Los Angeles despite its shrinking congregation — the 1,200 seats are seldom more than half-filled — and its proximity to Skid Row.

"If the church isn't going to battle these things, who is?" said Bob Harris, a professor of architecture at the University of Southern California and a member of the Los Angeles Conservancy's board of directors. "I think we all ought to be proud of the church for staying its ground."

### Short Takes

The piliated woodpecker, so called for the red tuft on its head, has been hollowing out the wooden poles that support power lines in central Idaho. The woodpecker, which is 18 inches (about 45 centimeters) tall, pecks a hole about half the diameter of the pole and then drills about five feet (about 1.5 meters) down for its nest. This leaves just a wooden shell standing up against wind, ice and snow on the cables. Collapsed poles cost customers of the Salmon River Electric Cooperative \$200,000 last year, or about \$350 each, and the problem is worse this year. Steel poles appear inevitable, although they cost 50 percent more than wood.

The families of three legends of the horror film genre — Boris Karloff, Lon Chaney Jr. and Bela Lugosi — have proposed a set of stamps bearing the likenesses of the actors and the sinister characters they portrayed — the Frankenstein monster, the Wolfman and Dracula. (Lon Chaney Sr. was honored last year in the "Hollywood Legends" stamp series.)

Ads that ran in national newspapers last week for the forthcoming movie "Jefferson in Paris" used images of the Constitution of the United States. The Walt Disney Co., which created the film and ad, has since taken note that Jefferson wrote the Declaration of Independence, not the Constitution. Newsweek magazine notes that Disney was the company that planned to build a Virginia theme park to celebrate American history.

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## WORLD BRIEFS

### Coalition Might Fall, Austrian Warns

**VIENNA** (Reuters) — Austria's coalition government edged nearer collapse Tuesday after Vice Chancellor Erhard Busek said that failure to agree to a four-year budget plan would mean new elections.

If agreement was not reached, said Mr. Busek, the head of the conservative Austrian People's Party, "the resignation of the government would be the only course." The coalition of the Social Democratic and People's parties has been weakened by elections in October that strengthened opposition parties. In recent days, the defense spokesman of both coalition parties were forced to resign over a suggested kickback scheme.

Chancellor Franz Vranitzky, a Social Democrat, said the government's situation was "serious but not hopeless."

### Clinton Drops Nominee to Panama

**WASHINGTON** (Reuters) — In another sign of the conservatives' ascension in Congress,



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## Even Israel's Market Surge Is a Rebuff for Prime Minister

By Clyde Haberman  
*New York Times Service*

JERUSALEM — In most places, a one-day surge of 7.7 percent in stock prices would send a government's heart soaring and put its spin doctors to work expounding on the policy-makers' wisdom.

But such is the enfeebled political state of Prime Minister Yitzhak Rabin that when share prices on the Tel Aviv Stock Exchange shot up like a Roman candle Tuesday, it was widely seen not as an expression of support for his government but as a rebuff. The latest of many.

Shares rose sharply out of investor giddiness over a government announcement the day before that it was reversing itself and dropping a new capital-gains tax that had gone into effect Jan. 1, but never really got off the ground.

The main Mishkanit index of 100 major companies soared by 7.7 percent, to close at 174.7 points.

Despite this gain, the Israeli market is still in a swoon, with the Mishkanit down by 31 percent from a year ago.

The issue for many Israelis was not so much the tax itself, for people are divided over whether it was an onerous or fair-minded innovation. Rather, as senior officials acknowledged, the government looked weak. Most questions Tuesday dealt not with economic policy but with Mr. Rabin's credibility and constancy. These are questions he has also faced in regard to national survival matters such as Israel's sputtering peace talks with the Palestinians.

### Israel Bars Jews From Mosque

Reuters

HEBON, West Bank — Fearing bloodshed during the Muslim holy month of Ramadan, the Israeli Army barred Jews on Tuesday from a mosque in the occupied West Bank that was the site of a massacre of Palestinians in 1994, the army said.

The army also imposed severe security checks on Muslim worshippers, many of whom said they were still afraid to pray in the Tomb of the Patriarchs, where a Jewish settler killed 30 Arabs at prayer during Ramadan last year.

Israeli security authorities, dismayed at Islamic suicide bombings that have killed scores of Israelis since the mosque incident, said they expected militant groups to stage further high-profile attacks during Ramadan.

### WARRIOR: Taking On Russians

Continued from Page 1  
of war. Mr. Maltsev described a war that changes everyday battles that rage fiercely, stop completely and then resume.

There is no clear chain of command among the rebels. "When there is shooting we just find each other," he said. He added that they were delighted that Russian forces decided to fight them in Grozny instead of in the towns surrounding it, so that they can be more flexible.

"Sometimes we fight at night," he said. "sometimes in the day. We change our schedule to keep them off balance. When they relax we get started. When they hit us with artillery we go around to the other side."

### BORDER: Recreating a War

Continued from Page 1  
gold and uranium has made it even more important as a point of national honor.

"All the world's minerals are there," said a 17-year-old youth named Monje, who was born in the area where the fighting is now taking place. "They have realized it and that is why they want it. But we are not going to give it up."

In the Peruvian town of Tumbes, the regional capital, soldiers were collecting gasoline, and residents who own large cars and trucks were fearful they would be asked to turn them over. On Sunday night, army officers patrolled the area near the cathedral, looking for recruits.

"Ecuador has always been the aggressor," said Faustino, León, 24, who was sitting in a park in Tumbes with other students from the university. "A war is not good for either side. But if we have to, we will support the army. We will go to the front."

#### U.S. Travel Advisory

The State Department is advising Americans to postpone indefinitely any travel to Ecuador's Zamora Chinchipe, Loja and El Oro provinces and to the northern reaches of Peru. The Associated Press reported from Washington.

U.S. citizens already in the area should keep up with developments and curb their travel until there is stability, the department said.

The problem for many here is figuring out where exactly he stands. "Zigzag" is a word used with growing frequency by headline writers and opposition leaders alike to describe government decisions, and the ill-fated 10 percent tax on stock-market transactions came to symbolize the problem.

Last June, the prime minister said that he would never accept such a tax. Two months later, his Labor-led government passed it. As 1994 drew to a close, Mr. Rabin disclosed that he had second thoughts. Then he said that, on reflection, the tax would after all.

But by last weekend he was rethinking it again, calling it a mistake and fighting publicly with its champion, Finance Minister Avraham Shohat. Finally, waiting until after the stock market had closed, Mr. Shohat announced Monday that the politically troubled tax was indeed dead and would be buried by the full cabinet next weekend.

"The big loser in reality is Yitzhak Rabin," Nehemiah Strassier, a columnist for the newspaper *Ha'aretz*, wrote Tuesday.

"The public sees a prime minister who tends to go with the wind," he said, "whose decision isn't a decision, whose backing isn't backing, who one time is for and another time against, who cannot withstand pressures. Then the question arises that maybe this is how the prime minister deals with other, more crucial issues, like the peace process."

Israeli officials acknowledge what opinion polls already confirm — that the government, which lacks an assured parliamentary majority, is in the worst political shape it has been since it supplanted the rightist Likud party in July 1992.

Lately, polls show Mr. Rabin losing by resounding margins to the Likud leader, Benjamin Netanyahu, who says that if he becomes prime minister in national elections next year he will not necessarily honor the present government's agreements with the Palestine Liberation Organization.

Many Israelis are ready to call it quits and suspend the agreement the government reached with the PLO in Oslo in 1993.

"Even one mistake on our part swings voters from Labor to Likud," a senior official said.

And now Mr. Shohat faces a new problem: how to plug a \$165 million hole in his 1995 budget that the stock tax was supposed to fill. Tuesday, he promised spending cuts and no new taxes.



Traders at the Tel Aviv Stock Exchange working furiously Tuesday as stock prices rose after a new tax was dropped.

### ISLAM: Sheikh's Religious Edict Complicates Middle East Peace Talks

Continued from Page 1

lets and on cassette tapes. The dispute rapidly began drawing in clerics in Egypt, Jordan and North Africa.

"Applying this to Jews is incorrect, because these usurping Jews have never headed toward peace," an influential Egyptian theologian, Sheikhs Yousef Kardawi, said of the Saudi edict in a commentary last week in the Egyptian opposition newspaper *Al Shaab*.

"How can we consider that they have done so, if they took land and spilled blood and pushed people out of their homes unjustly?"

He cited the Palestinians and other Arabs who have lost homes in Jaffa and Haifa, Israel, as well as in "Jerusalem itself."

The criticism prompted Sheikhs Baaz last weekend to issue a further explanation of

his fatwa, in which he seemed to back down a bit, by specifying that peace with Israel was conditional on fulfillment of several conditions and could not be made as long as Jews occupied Arab Muslim lands.

The clerics' protests are linking up with the rejection by many Arab leftists of Arab peace treaties with Israel. A vast number of columnists, writers, politicians and cultural figures in Egypt, Iraq, North Africa, Syria and among the Palestinians have long argued that normalizing ties with Israel now would consolidate an Arab defeat in the long struggle that began with Israel's founding in 1948.

The meeting of these two currents has led a number of Arab governments to slow the pace of their discussions with Israel, after a period last summer in which Arabs

seemed to be racing to sign peace agreements.

At an economic conference in Casablanca, Morocco, in October, for instance, Arab governments, particularly those of the Gulf, held back from calling for joint business ventures with Israel and the formation of a regional development bank.

In another meeting this month in Morocco, Muslim nations declared that all of Jerusalem had to be placed under Palestinian jurisdiction. That position directly clashes with Israel's stance that Jerusalem will forever be its capital.

In Egypt, a normalization process that had been largely frozen is now further jeopardized by a dispute with Israel over Egypt's refusal to sign a nuclear nonproliferation treaty unless Israel agrees to talk about eliminating its nuclear weapons.

## Wife-Abuse Account At Simpson's Trial

### Policeman Tells of the Victim's Crying: 'He's Going to Kill Me!'

*The Associated Press*

LOS ANGELES — A hysterical, bruised Nicole Brown Simpson told a policeman that O.J. Simpson slapped and kicked her in 1989, the officer testified Tuesday.

The officer, Detective John Edwards, testified that Mrs. Simpson told him, "He's going to kill me!"

"I said, 'Who's going to kill you?'" he added. "She said, 'O.J.'"

"I was a little surprised," Mr. Edwards testified. "I said: 'O.J. who? You mean the football player?' She said, 'Yes, O.J. Simpson, the football player.'

Mr. Simpson pleaded no-contest to spousal battery in the Jan. 1, 1989, incident.

Mr. Edwards, the second witness to testify as the prosecution began its case, spoke after the prosecutor, Marcia Clark, told jurors that a defense witness who has claimed that she saw four men speeding away from the area where the killings of Mrs. Simpson and her friend Ronald L. Goldman took place is a "known liar and a Simpson case groupie."

In a rebuttal to the defense opening statement, Ms. Clark also said the defense witness, Mary Anne Gerchase, told a friend she was not even in the neighborhood the night of the killings.

Bringing their first witnesses to the stand in the trial, prosecutors called a police dispatcher in addition to Mr. Edwards to help establish a motive for the June 12 slayings. A defense lawyer said on Monday that Mr. Simpson was home alone, hitting golf balls into a sandbox at the time of the killings.

Much of Mr. Edwards' account had already been known because his report on the beating was made public. He testified Tuesday that he went to the Simpson house that morning and found Mrs. Simpson hysterical and with the imprint of a hand on her throat, a cut lip and bruises on her face.

Under cross-examination, a defense lawyer, Johnnie L. Cochran Jr., asked Mr. Edwards whether he could smell alcohol on Mrs. Simpson's breath. Mr. Edwards said he could not remember.

Also testifying was Sharlyn Gilbert, the operator who took the 911 call that morning. She told jurors that she heard a woman screaming and the sounds of "someone being hit."

Prosecutors played a tape of the 911 call to the jury, in which a woman can be heard screaming. There are also noises in the background that sound either like slaps or the crackle of the police radio.

In her rebuttal in the defense's opening statements, Ms. Clark called Ms. Gerchase "one of those people who comes out of the woodwork" in high-profile cases.

She also told jurors they would see Mr. Simpson in an exercise video made shortly before the slayings showing him in good condition. The defense had argued that he had arthritis that would have made it impossible for him to kill two people.

In a ruling on Monday, Judge Lance A. Ito of Superior Court took the step, described by legal experts as unprecedented in California criminal cases, of allowing the prosecution 10 more minutes to make further opening statements. The measure was intended to punish defense lawyers for what Judge Ito saw as violations of legal procedures by not identifying defense witnesses.

■ **Chief Takes Umbrage**  
The Los Angeles police chief defended his force Tuesday against defense accusations that it botched the investigation and framed Mr. Simpson. Reuters

"It's outrageous that this directed and focused plan to malign the men and women of the Los Angeles Police Department has been carried out by members of the defense team," Chief Willie Williams said.

## Gerald Durrell, Writer And Zoologist, Is Dead

*Reuters*

LONDON — The British writer and zoologist Gerald Durrell, 70, whose best-sellers were full of witty depictions of the animal kingdom, died Monday on the Channel Island of Jersey following complications from a liver transplant.

The author of "My Family and Other Animals" and "The Overloaded Ark" may be best remembered for pioneering animal conservation.

He devoted his final years to his zoo in Jersey, which he set up in 1959 as a sanctuary for animals threatened with extinction. The zoo attracts more than 200,000 visitors a year.

Mr. Durrell, who called himself "a kind of hairy Florence Nightingale," maintained that he preferred the company of animals to that of humans, saying animals "did not think they were God."

Sir David Attenborough, the naturalist, said Mr. Durrell had "changed the face of zoos and what zoos should be doing."

"He was, I think, among the first to demonstrate that zoos needn't be about polar bears, elephants and lions, but they could be about ants and small reptiles," he told the BBC.

Prolific writer that he was, Mr. Durrell never received the

critical acclaim accorded to his brother Lawrence, whose "Alexandria Quartet" is hailed as a modern classic.

George Woodcock, 82, Canadian Poet and Essayist

VANCOUVER, British Columbia (AP) — George Woodcock, 82, one of Canada's most celebrated writers, died Saturday of heart problems.

Mr. Woodcock wrote and edited almost 150 books. His "Anarchism" is considered the definitive book on the subject, while "The Crystal Spirit," a biography of his friend George Orwell, won a Governor General's Award.

A poet, critic and essayist as well as a teacher, he was the founding editor of Canadian Literature, the first journal of its kind to look solely at Canada's literary world. He founded the anarchist literary journal Now in 1940.

Jeffrey P. Beck, 48, a flamboyant merger-and-acquisition specialist on Wall Street who rose to prominence in the 1980s, died Saturday of a heart attack in New York City.

Suresh Shankar Nadkarni, 61, the chief regulator of India's swiftly emerging stock markets, died Tuesday after a heart attack in New Delhi.

## BOSNIA: Paris Urges New Talks

Continued from Page 1

In the south, ethnic tensions are rising and could eventually erupt into open warfare, especially in the province of Kozovo.

Meanwhile, the Bosnian government has been lobbying the Republican-controlled U.S. Congress to allow weapons to flow to its mostly Muslim forces unless local Serbs accept a plan that would roughly divide territory between them and a federation of Bosnian Croats and Muslims. The Serbs now control about 70 percent of the land.

If Croatia orders the UN troops to leave in a bid to regain sovereignty over Krajina and hostilities begin to escalate in central Bosnia after the winter lull, Western diplomats say, a combustible chain reaction could take place.

In the event of an attack by Croatia's forces in the Krajina region, Serbia's president, Slobodan Milosevic, would almost certainly be compelled to intervene on behalf of his kinsmen by supplying weapons and perhaps troops.

With Serbia preoccupied by the fate of its Croatian brethren, diplomats are worried that the Sarajevo government could be tempted to embark on a new offensive to retrieve lost ground now held by Bosnian Serbs.

### MEXICO: Clinton Gives Up on Congress and Crafts Own Strategy

Continued from Page 1

both parties issued a letter supporting Mr. Clinton's action and confirming that the president had the legal authority to act on his own.

"He won't be out there by himself," Bob Dole of Kansas, the Senate majority leader, said.

The IMF will require Mexico to take a range of belt-tightening measures to shore up its economy, central bank and federal budget. Mexico has agreed to make available an expected \$7 billion in future revenues from crude oil sales by the state-owned Pemex oil company as collateral for the U.S. loans.

Mr. Clinton asserted that U.S. national interests were at stake, including jobs and exports, a secure border under threat from illegal immigrants and drug-runners, and a sound global economy.

Many investors, the vast majority of them Americans, bought Mexican government bonds, whose value have fallen sharply as the peso lost 45 percent of its value against the dollar. The Treasury estimates that U.S. residents hold \$18 billion worth of Mexican bonds and direct investments in Mexico with a market value of around \$50 billion.

U.S. public support for the loan guarantees wavered in January under a barrage of criticism suggesting that a "bai-

ouli" of Mexico would risk U.S. taxpayers' dollars while helping Wall Street investors who lost money in Mexico and rewarding the Mexican government for fiscal ineptitude.

Mr. Clinton's assertion that 700,000 U.S. jobs could be lost if the peso crisis was not halted failed to take hold, and initial support from Republican leaders in Congress disappeared.

The collapse of Mr. Clinton's legislative strategy and the accompanying retreat by congressional leaders created a crisis atmosphere in Washington. Republican critics of the president, including several who aspire to the White House, blamed Mr. Clinton for the confusion and delay.

"Bill Clinton did not get the job done," Senator Phil Gramm of Texas, a potential Republican presidential candidate, said after the president's initial plan collapsed.

Jeffrey Schott, an international economist at the private Institute for International Economics in Washington, lamented the president's move, saying it would add uncertainty to the U.S.-Mexican relationship in the long run and cast doubt on "the ability of the United States to act on its own."

An unusual climatic pattern has allowed a stream of warm, wet air from the Atlantic to sweep across northern Europe, where groundwater levels are high because of heavy rain late

last year. Melting snow has compounded the threat.

A ban on commercial shipping and barge traffic has stranded millions of tons of oil and other commodities such as grains and animal feeds. Farmers have been forced to send livestock to market, depressing prices.

# INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Process the Cuban Refugees

Six months after the exodus ended, 30,000 Cubans who set out for the United States in boats or rafts are still being held in detention camps in Panama and at the U.S. naval base at Guantánamo. With incidents of rioting and attempted suicide rising and the cost to U.S. taxpayers mounting, Washington and Havana should move quickly to hit these dissident Cubans from limb. Those who are eligible should be resettled in America; those who are not should be returned home.

Under new guidelines worked out in talks between Cuba and the United States, the only sure route now from Cuba to the United States is to apply for a visa inside Cuba. The administration has already made exceptions for about 3,000 of the refugees at Guantánamo and in Panama on humanitarian grounds. With the remaining Cubans in Panama soon to be moved to Guantánamo, Washington must decide how to deal with those who are still in detention.

—THE NEW YORK TIMES

## Politics and an Amendment

The House vote for a balanced-budget amendment demonstrates the political potency of a bad idea whose time has come. That explains the overwhelming House vote for the amendment. Attention now shifts to the Senate, and the state legislatures as outposts of common sense. The amendment fails as a matter of politics. Yet it serves as social justice. It fails as economics. Yet 300 House members, including 72 Democrats, signed up anyway.

The amendment would be inequitable because budget cutbacks would single out the disadvantaged. The Republican-controlled Congress vows not to touch Social Security, defense or Medicare. That means it must cut an astonishing 30 percent to 50 percent of domestic discretionary programs. The first to go will be those housing and social-service programs whose only support is among the politically vulnerable.

Perhaps Congress could justify such a sacrifice of social justice and political principle if the country's economic future were at risk. Indeed, some of the more hard-fisted House supporters of a balanced-budget amendment relish its punishing side effects. But proponents overlook the downstream danger. In hard times, the amendment would require government to raise taxes and cut spending as the economy slows, inflicting further wounds.

Proponents also exaggerate the threat of current deficits, which are modest compared with the size of the economy, and falling. Fiscal prudence requires only that Congress keep the federal debt growing less quickly than the economy. By that standard, deficits in the \$200

billion range — the current level — pose no financial problem.

Deficits are expected to balloon toward the end of the decade, primarily because health expenditures under Medicare and Medicaid will soar. But with wit and will, Congress has all the tools it needs to bring future deficits under control. Cut defense, which is a fortunate possibility at a time when the U.S. faces no serious military threat. Cut corporate subsidies that pump tens of billions each year into undeserving businesses. Reform health care.

Opponents of the amendment need not despair — yet. The battle is far from lost. The upcoming vote in the Senate will be close. If the vote is based on common sense, the amendment will lose. The danger is that some senators will be tempted to make the easy political vote in the faith that state legislators will be smarter than their federal counterparts.

Right now, it appears that the amendment could not pass the 38 state legislatures it needs. Many governors, especially in states with large pockets of poverty, are taking note of the transfer of budget burdens that the amendment threatens. If Congress cuts out housing, food and education assistance, the states are left the choice of forsaking their need or facing emergency tax hikes.

That, of course, is the real lesson of amendment politics. Easy, simplistic votes in Washington lead to hard decisions and higher taxes at the state and local levels. Passing this misguided amendment may fulfill "Contract With America," but none dare call it leadership.

—THE NEW YORK TIMES

## Other Comment

### Turn Up the Heat on Burma

Aung San Suu Kyi's struggle for a free Burma continues. The Burmese opposition leader, still in the dark about her freedom since the term of her house arrest officially expired two weeks ago, issued a rare public statement, through her husband, seeking to kill all rumors about any "secret deals" being made with her captors — the military junta calling itself the State Law and Order Council, or SLORC. SLORC, which has confined the Nobel Peace laureate without any official charge or a trial, devised, amended and interpreted retroactively a security law which permits her to be held under house arrest for up to five years. Last July, the military junta made another change and also applied it retroactively to prolong her confinement for one more year. Last week, hopes for the imminent release of Aung San Suu Kyi faded as SLORC said the leader of the National League for Democracy would be freed only when a constitution now being written is complete.

The official line of the Association of South East Asian Nations [is] that things are getting better in Burma. ASEAN, Japan, certain European governments and Australia [have been] cozying up to the Rangoon military junta. But the harsh fact remains: SLORC suppressed democratic voices through the murder of more than 3,000 people in 1988, and it continues to refuse to cede power to the pro-democracy parties led by Aung San Suu Kyi's NLD, which won an overwhelming majority of the contested seats in the national elections held in 1990. In its latest report on Burma, the London-based Amnesty International painted a gloomy picture. Despite the officially reported release of more than 2,000 political prisoners since April 1992, Amnesty said political detention in Burma continues to be a major tool of repression. Hundreds of political prisoners arrested since the pro-democracy move-

—The Nation (Bangkok).

### Mexico's Tricky Road to Reform

In moving toward real democracy, President Ernesto Zedillo of Mexico has set about the unfinished business of his predecessor, Carlos Salinas. He has been right to do so. But his position is not strong. The "dinosaurs" of the Institutional Revolutionary Party disliked Mr. Salinas's economic reforms; enter a new president who not only plans to continue them but promises political reform as well. The financial crisis has weakened the PRI's hold on labor. And now the party's regional power structure is breaking. The president must rely on rival parties to help him control his own. In Mexico, that is a new trick. It will not be easy.

—The Economist (London).

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## Fight Terrorism With a Promise of Palestinian Statehood

By Henry Siegman

**N**EW YORK — The deaths of 19 Israelis in a suicide bombing by Islamic extremists on Jan. 22 convinced many Israelis — including President Ezer Weizman, a longtime dove — that Palestinian self-rule is unworkable. But aborting the peace process and continuing Israeli military control of the occupied territories will not reduce terrorism for the extremists fear that Palestinian self-rule will succeed, not that it will fail.

Unfortunately, the emotional impact of the bombing does not make for rational political discussion, and that is precisely what the terrorists count on.

The fragile Israel-Palestine Liberation Organization accord reached in 1993 hinges on security for Israel, which depends on Yasser Arafat's ability to keep order in the territories, which in turn depends on the prospect of Palestinian statehood.

If the Palestinians are persuaded that there is no chance of achieving their national aspirations — an independent state, not autonomy under Israeli military control — they will reject Mr. Arafat as a traitor. If he loses credibility, there is no way he can maintain any semblance of stability in the territories and the peace agreement will fall apart.

The 1993 Oslo accords were disintegrating long before the Jan. 22 bombing. Many have attributed this to Mr. Arafat's ineptness and autocracy. But there is a more serious reason behind the disintegration: the accords themselves. They fail in two critical respects.

First, they do not address the only issue that is important to Palestinians: the creation of an independent state.

Some observers have argued that statehood is implicit in the "final stage negotiations" called for within three years of implementation of the agreement. But whether the negotiations will result in statehood is up to Israel.

It is understandable that many Palestinians do not believe

that Israeli politics will ever

permit their independence.

clearly that settlements are an impediment to peace. But Prime Minister Yitzhak Rabin failed to remove the settlers from Hebron. It is therefore unlikely that he will be able to deal with the far larger number of settlers in the more complex circumstances he will encounter three years from now.

The Palestinians' skepticism was further fueled by the compromise reached last month which prevents Jews in the West Bank settlement of Efrat from expanding their enclave to one nearby hill bar permits them to do so on another hill.

And the government has announced that at least 2,000 new apartments would be built this year near Jerusalem. How could Mr. Arafat possibly establish political credibility in these circumstances?

The other flaw in the accords is the provi-

sion for stages of autonomy — first Gaza and Jericho, followed by other West Bank locales — which are linked to so-called confidence-building measures intended to show the viability of Palestinian rule.

This quid pro quo approach makes sense when Israel deals with governments whose leaders are firmly in control, such as Egypt's, Jordan's and Syria's. But it makes no sense when dealing with a weak organization like the PLO. It simply invites extremists to sabotage the agreement with confidence-destroying measures.

Can the agreement be saved? Perhaps, but only if Mr. Rabin makes peace a higher priority than getting re-elected next year. It is not much of a risk. The present course guarantees that he will lose both the peace and the elections.

This means that the government must now affirm that Palestinian statehood is the goal of the peace process and proceed quickly down that path, not only to reinvigorate the talks but also to preclude false Palestinian expectations. By setting the framework of statehood, Israel can disabuse those who entertain the false notion that a full return to the pre-1967 borders is possible.

The government also must begin removing settlements now, not two years or five years down the road. The next stage of the agreement, the so-called early empowerment of the West Bank, is doomed if all the settlements stay in place — not to speak of expanding — for they offer irresistible targets to Islamic Jihad, Hamas and other opponents of the agreement.

Mr. Rabin also must make clear to Israelis that terrorism and instability, endemic to the region, are unrelated to the security issues posed by Palestinian statehood. Safeguards can be built into the peace agreement to prevent Palestinian military aggression, but not individual acts of terrorism. Such acts are made more likely by Palestinian frustration.

Some will argue that the recent bombings have precluded Palestinian statehood. But that is to argue that peace between Israel and the Palestinians is impossible. The violence led Mr. Rabin to propose building a "security border" to separate the West Bank from Israel. The inevitable conclusion of such a separation must be the establishment of a Palestinian state.

There are good reasons to be skeptical of the Palestinians' commitment to peace. In bilateral over the carriage supposedly carried out in the name of Allah is too widespread to pretend otherwise.

A genuine reconciliation is perhaps too much to expect after decades of bloodshed. But Oslo was really not about peace; it was about separation. Palestinian statehood is not a reward for good behavior or good intentions. Rather, it is a desperate Israeli need. The alternative is for Israel to remain locked indefinitely in a deadly embrace with 2 million Palestinians.

Mr. Rabin had public support for his peace policies even during the most controversial phases — for example, when it was revealed that he had arranged talks and supported an agreement with Mr. Arafat. Israelis elected him because he offered a clear alternative to the Likud's advocacy of an untenable status quo. If that support has eroded, it is partly because Labor's alternative has lost its sharp edge.

Perhaps political courage and boldness can no longer carry the day. But it is a risk worth taking, for the alternative is the inevitable collapse of the peace process and the certain defeat of Mr. Rabin in 1996. Only a fool can believe that such an outcome would discourage the terrorists.

The writer, former executive director of the American Jewish Congress, is a senior fellow at the Council on Foreign Relations. He contributed this comment to The New York Times.

## The Treasury Chief Faces a Rough Ride

By Hobart Rowen

**W**ASHINGTON — Robert Rubin, President Bill Clinton's new Treasury secretary, fits the mold in many ways. A successful investor as co-chairman of Goldman Sachs & Co., Mr. Rubin follows other secretaries who made their mark on Wall Street: Donald Regan, Ronald Reagan's first appointee; Nicholas Brady, George Bush's man and John Kennedy's Douglas Dillon. Mr. Rubin is a Democrat, of course, while the others were Republicans.

In an informal meeting last week with a group of reporters, Mr. Rubin concentrated on the Mexican peso crisis. He feared that unless loan guarantees for Mexico were approved, the recent ability of Mexico, Spain and other developing countries to participate in international capital markets would disappear for many years to come.

A collateral consequence would be the collapse of the strong U.S. export markets in these countries. Mr. Rubin tossed out the shocking possibility that U.S. sales to Latin American countries might drop as much as 40 percent over five or six years if an aid deal was not approved.

"This is a serious risk for the United States," he said, adding that the real measure of such an event would be a huge loss of American jobs.

With Congress unwilling to quickly approve an aid package, President Clinton on Tuesday cobbled together an alternative that provided about \$47.8 billion of assistance on his own authority and from the International Monetary Fund and world central banks. This would have the advantage of involving other world powers in the bailout.

Mr. Rubin had pointed out that the International Monetary Fund "doesn't have enough money" to be a significant help to Mexico or other emerging market economies. He suggested that available IMF resources were only about \$40 billion, but

according to IMF sources, the agency has lendable hard currencies of about \$90 billion. Under the new Clinton plan just announced, the International Monetary Fund would lend Mexico as much as \$17.8 billion.

The bottom line here is that the capital needs of developing countries have exploded beyond the capacity of the IMF and other global lending institutions, and it is undertaking a new global conference, a la Bretton Woods of 1944, to do anything about it, although the need for such a review has been discussed for years.

This issue is bound to come up this Friday and Saturday in Toronto at Mr. Rubin's first Group of Seven financial ministers' meeting. The ministers will meet again April 26-27 during the annual spring session of the World Bank and IMF in Washington.

Mr. Rubin, whose expertise has been in domestic affairs, must then turn his attention to the annual G-7 summit meeting in June, in Halifax, Nova Scotia. Unfortunately, his concentration on the Mexican crisis prevented a discussion of these and other key issues at the reporters' session.

Mr. Rubin did say that the administration, while disapproving the constitutional-balanced-budget amendment, favored balancing the budget cautiously over time. President Bill Clinton's goal, as Mr. Rubin put it, "is to achieve fiscal discipline."

Like the former secretary Lloyd Bentsen, or James Baker, Mr. Rubin will have to learn the foreign economic ropes. Mr. Baker, Mr. Reagan's chief of staff, took a crash course from the international economics expert Fred Bergsten — and turned out to be the best manipulator of the decade.

As the nation's chief financial officer, Mr. Rubin will play the key role in developing Mr. Clinton's agenda for the annual economic summit meetings. An espe-

cially delicate issue that must be decided in advance is whether President Boris Yeltsin, who has sat in at the last three meetings, has outlived his welcome because of Russia's assault on Chechnya.

The German government has shown an inclination to brush him away. Otto Lambdorff, leader of the liberal Free Democrats, wrote: "Can one imagine President Yeltsin continuing to attend world economic summits and Helmut Kohl continuing to greet him with a bear hug and Russian fraternal kisses?" As of the moment, U.S. policy on this question is not clear.

Mr. Rubin already was involved in G-7 affairs as manager of the White House's National Economic Council. Following a disappointing economic meeting in Naples last year, government officials and academics have been trying to figure out a way for the G-7 apparatus to redefine itself in the post-Cold War era.

In an interview after Naples, Mr. Rubin claimed that this process of modernization was already under way, since the G-7 leaders had scheduled a "jobs summit" in Detroit that sought to show the differing approaches to job creation and income maintenance between the United States and Europe. Mr. Rubin felt that the group thus already had begun to generate a new kind of "glue" to replace the unifying force of a common enemy — the former Soviet Union.

Yet Europe rebuffed Mr. Clinton's proposal at Naples for a new round of global trade talks — a challenge strongly indicating that U.S. influence at the summit bargaining table was waning badly. Now, as Halifax approaches, an international economic crisis looms, and not just because of the peso problem and the IMF's inadequacies. Yet Mr. Clinton and Mr. Rubin are lame ducks whose foreign policy already has been challenged by the newly empowered Republican majority in Congress.

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## OPINION

**The Confidence Gap Widens in a Shaken Japan**

By Gregory Clark

**TOKYO** — In Japanese the word for earthquake is *jishin*. By a coincidence of Chinese ideograms, the word for self-confidence is also *jishin*. Punsters here have had a field day as the Kobe earthquake has revealed a society far less confident and well-organized than many people, particularly on the outside, had realized.

Japan was never the superconfident society many liked to imagine. But the Japanese have been lucky in that their efficiencies have been largely in the areas needed for the creation of a stable society and a strong manufacturing economy.

As with the North European societies of a generation or so ago, a long period of village and

**In the country's response to the Kobe earthquake, the flip side of Japan's famed efficiency was revealed.**

feudalistic isolation encouraged an instinctive sense of order, a strong desire for group associations and a liking for making things — all qualities that (until recently, at least) have made for major progress.

We saw some of this in Kobe after the initial shock had worn off and people began to reorganize. But the quake also revealed an amazing lack of preparation, imagination and flexibility. The incompetence of initial rescue efforts left one wondering how Japan got where it is in the world economic order today.

Fire-control planners, who devote great energy to public parades of modern equipment, had done nothing to prepare for the breaking of water pipes, an inevitable problem if an earthquake struck Kobe. As fires raged out of control, the planners complained about having no water. Meanwhile,

their backs was the Pacific Ocean. If there had been the slightest wind on the first two days of the disaster, Kobe would no longer exist.

Only a month earlier Japan's much-touted Self-Defense Forces were basking in the self-generated publicity of aiding Rwandan refugees. Yet they needed more than two days to organize for relief work among their own citizens, just miles from large Japanese military bases.

Here we see the flip side of Japan's famed efficiency. Japan gains much from the close village-type cohesion of its groups. But groups do not exist primarily to create efficiency. They exist simply to guarantee their continued existence. If the fire brigades feel they can do this by parading shiny equipment rather than organizing emergency water supplies, then parades and shiny equipment it will be. If the military thinks it can best boost prestige by African excursions, then that will become the focus of its efforts. If these organizations can be made to believe that their prestige and survival depend on efficient disaster relief, they probably will perform splendidly. But someone has to have the imagination and the will to arrange that in advance.

Similar principles apply in the economy. In manufacturing, the tasks are clear and the goal is obvious: The company cannot survive unless it produces goods of quality that can sell around the globe. Companies thus do that. But in the service sector, companies can survive in other ways. They can play on the biases of the Japanese consumer. They can form cozy cartels. They can bribe politicians. The contrast between Japan's superefficiency manufacturing sector and its woefully inefficient service sector is a major reason for the trade imbalance and the overappreciated yen.

Many other inefficiencies can be explained in terms of Japan remaining as an expanded village-based society: the lack of town planning so pitifully revealed by the shacks in central Kobe; the decrepit financial system, which almost wrecked itself and the nation five years ago with its belief that land and share values should be five to 10 times higher than anywhere else in the world; the fuddy-duddy tertiary education system that has left Japan unprepared for the computerized information era now upon us; the venal politicians; the close-minded bureaucrats, the vocal farm lobbies.

The world came to praise Japan for the determined and methodical way it overcame the oil shock problems of 1973. But as with Kobe, it was hard to praise the lack of contingency planning that had allowed Japan to become so dependent on Middle East oil or the panicky behavior just after the sudden oil price increases.

Where does this leave Japan? What does it mean for the future? There are encouraging signs that an agonizing national reappraisal is under way. The flood of cheap foreign goods into Japan is forcing a complete shakeout of the notorious distribution system. Yen appreciation and the extended recession are forcing companies to shake up traditional management systems. Backwardness in the computer and information industries is finally being realized. Even politicians seem to realize the need to do better.

The influential business newspaper Nihon Keizai recently devoted much space to a survey of flaws in the Japanese mentality. It went so far as to suggest that the Koreans, once despised by Japanese, were doing better on the international scene than Japan was. None of this adds to the national *jishin*. But it could mean that Japan will be less complacent and better prepared for other *jishin*, both actual and abstract, in the future.

International Herald Tribune

**LETTERS TO THE EDITOR****China's Market Reforms**

I write to you to clarify remarks contained in your report "German Bank Waves Its Club at China Over Debts" (Jan. 28) that did not correctly represent my views. The article addressed the issue of alleged nonpayments by certain Chinese state enterprises to foreign investors and banks.

During a roundtable discussion with the International Herald Tribune, I analyzed the situation and said that as far as the legal claims are concerned, it should be understood that China is now in a period of transition to a market economy. Traditionally, China was ruled by

people, not by law, so it is natural that there may be some legal problems concerning contracts. We are making progress in the enforcement of contracts through China's program of economic reforms. If we want to make further improvements, in my view the right way is not to complain to the government or make it a political issue.

I now wish to address two specific points in the article that did not correctly represent my views:

First, I was quoted as saying that "the Chinese economy is not ruled by law, but by people." This is obviously not consistent with my view that progress has already been made in developing the legal system and the enforcement of laws. I was not describing the present situation, but the past when I referred to the lack of a rule of law.

Second, I was quoted as saying "there is no effort at the national level to put in place the rule of law for contracts." I did not express myself in those terms. What I said was that China has made efforts, but if

we want to improve the situation it is not sufficient to simply have a government effort but to pursue the matter through legal procedures in the courts as well. In addition, those terms are not consistent with my view, which was correctly cited in the same article, and namely that China is now making progress in the transition to a market economy.

FAN GANG,  
Institute of Economics,  
Chinese Academy of  
Social Sciences,  
Beijing.

**Remembering Auschwitz**

On the 50th anniversary of the liberation of Auschwitz, we bear everyone pledging that we must never forget the horrors of bigotry, hatred, injustice and oppression of the past, and that we are never going to let it repeat itself. And yet, one need only look toward Bosnia to realize that the meaning of the guilt that is Auschwitz has already been forgotten.

To observe a moment's silence in memory of those that we love and who are no longer with us is understandable and proper. But to stay silent and look the other way as the world's (and especially American) media ignore the carnage in Bosnia is an insult not only to those who died at Auschwitz and those who die in Bosnia, but also to humanity at large—and especially to future generations who shall have to answer for our inaction just as we must answer for the inactions of those who remained silent on Auschwitz.

ADIL NAJAM,  
Cambridge, Massachusetts.

During the commemoration of the liberation of Auschwitz, it is odd that nobody has mentioned the category of victims who had to wear pink triangles instead of yellow stars: homosexuals. Plain oversight or something more insidious?

LESLIE SCHENK,  
Chevilly-Larue, France.

**BOOKS****FELLINI**

By John Baxter. 374 pages. \$24.95. St. Martin's.

Reviewed by Peter Brunette

FOR millions of Americans, the name Federico Fellini symbolizes the quintessential art-film auteur. The creator of such classics as "La Strada," "La Dolce Vita," "8 1/2" and "Amarcord," who died in 1993, comes vividly alive in this new biography, with all his peregrinations and neuroses on full display.

British biographer John Baxter is less successful in cooing exactly why the director's films have been greeted so warmly around the world and what their larger significance might be. But the book's breezy tone and its huge helpings of behind-the-scenes gossip make it thoroughly enjoyable.

Fellini was born in 1920 in Rimini, a tacky resort on the Adriatic that still attracts sun-starved Germans and Swedes by the thousands. Almost immediately he set out for the bright lights of Rome, a city that was to exercise an endless fascination for him, as conse-

cuted in the loving, wonderfully imaginative film "Fellini's Roma," which came out in 1972. There, right before World War II, he found work as a cartoonist for comic books and, like so many of his contemporaries in the Italian film industry, fell into filmmaking by accident, initially an assistant to Roberto Rossellini, the guru of neorealism. Fellini made his first film, "Variety Lights" (co-directed with Alberto Lattuada), in 1950. "I Vitelloni" followed in 1953, and with the international success the following year of the sentimental but still powerful "La Strada" (which starred his wife, Giulietta Masina, and Anthony Quinn), Fellini became one of the best-known directors in the world.

Baxter does an excellent job of separating the Fellini self-myth production—which was usually even more imaginative than his films—from the facts, at least insofar as they can be established. He is also very good at delineating the permutations of the baroque, extravagant behavior, settings and human physiognomy that have come to be labeled "Fellinique."

We also get plenty of hints concerning the director's long-

rumored bisexuality, though Baxter does not document any specific encounters beyond some rather innocent same-sex infatuations throughout his life. Baxter is almost certainly correct in his view that sexuality of whatever variety seldom got beyond the arrested-adolescent level that is continually on display in Fellini's films, filled as they are with giant-breasted, voluptuously smothering fantasy women. Baxter's conclusion, wholly convincing, is that "Fellini's erotic imagination remains essentially infantile, which is why he's never created a credible sex scene on film." Though the biographer spends less time than he should working on the deeper sources and complexities, the book is probably most useful in its exploration of the consistent, obsessive autobiographical impulse, beyond the narrowly sexual, that marks Fellini's career.

Fellini's selfishness in regard to Masina, his wife of exactly 50 years (Fellini died on their anniversary), is troubling and reveals a side of the maestro's personality that acolytes will not find appealing.

Peter Brunette, who teaches film at George Mason University, wrote this for *The Washington Post*.

**BEST SELLERS**

The New York Times  
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

**FICTION** Last week  
Week

1 THE CELESTINE PROPHECY	Richard Bach	148
2 POLITICALLY CORRECT BEDTIME STORIES	by James Finn Garner	2 32
3 KISS THE GIRLS	James Patterson	3 2
4 SELF-DEFENSE	Jonathan Kellerman	4 3
5 EYES OF A CHILD	Richard North Patterson	5 18
6 THE CRIMES OF MADDISON COUNTY	Robert James Waller	6 129
7 WINGS	Danielle Steel	7 22
8 DEBT OF HONOR	Tom Clancy	7 22
9 MUTANT MESSAGE DOWN UNDER	Mario Morgan	9 17
10 THE JET SET	Stephen King	9 15
11 TRUST ME	Jayne Ann Krentz	10 12
12 THE LOTTERY WINNER	May Higgins Clark	10 12
13 ACCEPTABLE RISK	John Paul	11 13
14 THE MURDERERS	W.E.B. Griffin	1 1
15 DARK RIVERS OF THE HEART	Debra Kozlak	13 10
NONFICTION		
1 CROSSING THE THRESHOLD OF HOPE	John Paul	1 13

2 THE HOT ZONE

3 DON'T STAND TOO CLOSE TO A NAKED WOMAN

4 COOL HOODA

5 100 ORDINARY TIME

6 PALE BLUE DOT

7 BARBARA BUSH: A Memoir

8 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL

9 JAMES HERRIOT'S CAT

10 THE BELL CURVE

11 INSIDE THE WHITE HOUSE

12 PALE BLUE DOT

13 BARBARA BUSH: A Memoir

14 THE MURDERERS

15 DARK RIVERS OF THE HEART

NONFICTION

16 THE HOT ZONE

17 POLITICALLY CORRECT BEDTIME STORIES

18 KISS THE GIRLS

19 SELF-DEFENSE

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56 SELF-DEFENSE

57 EYES OF A CHILD

58 THE CRIMES OF MADDISON COUNTY

59 WINGS

60 DEBT OF HONOR

61 THE LOTTERY WINNER

## STAGE/ENTERTAINMENT



Mary-Louise Parker, Drew Barrymore and Whoopi Goldberg, during recording session with Bonnie Raitt for "Boys on the Side."

### Rock Soundtrack, a Tale of Sisterhood

By Liesl Schillinger  
*New York Times Service*

**N**EWS YORK — The moment the screen lights up with Whoopi Goldberg's face, the theater fills with the sound of Goldberg singing Janis Joplin's defiant anthem "Piece of My Heart."

It isn't hard to suspect that the film "Boys on the Side," which opens in New York Friday, is meant to be heard as much as seen. Indeed, by the time this story about sisterhood concludes, moviegoers will have heard 24 rock songs by arguably every leading contemporary female vocalist. (The soundtrack album will be released this week by Arista Records.)

Among the women whose voices are heard in the film are the folk-rock newcomers the Indigo Girls, along with such hit vocalists of the '80s as Ani Lennox and Chrissie Hynde and the country-rock icons Bonnie Raitt, Melissa Etheridge and Sheryl Crow. Practically the only male singer heard is Elvis Presley, whose "Jailhouse Rock" is played in a party scene.

The all-female sound track is no accident; it is just what the film's producers — Herb Ross, the director; Mitchell Leib, the music director of the film's production company, Regency/Everett, and Clive Davis, the president of Arista Records — set out to create. "We have kept very strongly to a female sound track," said Davis, "not as a gimmick but as a heartfelt statement."

"Boys on the Side," written by Don Roos, who also wrote the screenplay for "Single White Female," can be seen as a hip, feminist, multiracial take on "Pilgrim's Progress."

Three lonely women — the struggling singer Jane (played by Goldberg), the control freak Robin (Mary-Louise Parker) and the dusky Holly (Drew Barrymore) — journey cross-country by minivan, learning to trust one another en route. Complications ensue because Holly is unmarried and pregnant, Jane is a recently jilted lesbian, and Robin, whom Jane calls "the whitest woman in America," has AIDS.

The songs were chosen, Ross said, "sometimes to describe the state of mind of the women, sometimes as an artistic statement." For instance,

when Jane comes to accept Robin, who loves the '70s soft-rock group the Carpenters, she sings their mellow hit song "Superstar" to her. Earlier, when the three take to the road, the sound track swells with the break-loose beat of Crow performing "Keep On Growing."

As the trip progresses, Stevie Nicks sings "Somewhere Stand by Me," written for the film by Crow and Todd Wolf to express how the women evolve into an unconventional family.

Whose idea was it to have an all-female sound track? Ross thought it might be Leib's. Leib claimed, "It was my idea originally," Davis said, "I thought it would have a major impact if the entire sound track were performed by women."

**W**HOOVER deserves credit for the idea, it proved appealing to virtually everyone involved in the film. "It just made total sense," said Leib, "that female vocalists would help to solidify the emotions better than a male voice in a film about three women."

Bonnie Raitt, who performs Roy Orbison's "You Got It" in the film, agreed. "It's a great idea," she said, "to have female voices in a film about female bonding and sisterhood."

The three stars helped choose the songs. "Whoopi's kind of like a mythic bird," Leib said. "I'd put on a song, and she would immediately go into a shick and sing it, because when she'd hear it she'd get moved and get going."

Ross recalled asking the actresses to brainstorm on what kind of music they liked to play while driving in car, since the women spend a good deal of the film car pooling from New York to Tucson, Arizona. "That's how we got 'Shame, Shame, Shame,'" he said, alluding to the Shirley and Co. song the characters listen to on their journey.

It was Leib and Ross who persuaded the Indigo Girls to appear in the film. And it was Davis of Arista who insisted that Ross get Raitt to make her own recording of "You Got It" for the film's sound track. (Goldberg also performs the song in the film.)

"I felt that if Bonnie emotionally brought back the song at the end, it would be very strong," Davis said.

Perhaps this better explains

### SHORT CUTS

• LOS JOVENES FLAMENCOS. Vol. IV (Nuevos Medios). Like with the tango and the *bal musette*, young rock-and-jazz-oriented players have been modernizing flamenco. This volume sometimes borders on new-wave goo, but groups

like Pata Negra and Ketama add substance and innovation under the gloss. Hand-clapping and heel-clicking behind funk licks is a refreshing change from backbeats.

• BODY AND SOUL (Verve): A tasty compilation of

saxophone — Coleman Hawkins, Joe Henderson, Charlie Parker, Lester Young, Stan Getz and John Coltrane (Gerry Mulligan does not wear well). An insight into jazz's unique combination of intelligence, mellifluosity and energy.

• ADIOS AMIGO. A Tribute to Arthur Alexander (Sky Ranch/Virgin): Homages to Arthur Alexander sung by Elvis Costello, Roger McGuinn, Frank Black, John Prine, Gary U.S. Bonds and others. Alexander, who died in 1993, was a black born-again Christian who grew up in Alabama and wrote songs in a fertile and unexplored space between country



Stan Getz  
and the blues. He called them "clean, simple and direct songs which speak plainly of everyday life."

Mike Zwerin, IHT

### LONDON THEATER

## Not-So-Merry 'Wives of Windsor'

By Sheridan Morley  
*International Herald Tribune*

**L**ONDON — Written at the express wish of Queen Elizabeth I — a commissioning tradition her namesake has sadly not bothered to continue — "The Merry Wives of Windsor" is essentially "Falstaff II." Shakespeare's increasingly desperate attempt to revive and recycle the old rogue who was his most popular character. It was, I guess, fortunate for him that his monarch didn't demand to have Othello or Lear or Hamlet brought back to her for Part Two, but even Falstaff presents continuity problems.

The fat fool we have here is neither the one that Hal rejects at the end of "Henry IV," nor for obvious reasons the one whose death is so movingly reported by Mistress Quickly in "Henry V," especially as she too is back on stage for what remains, with the possible exception of the recently revived "Gammer Gurton's Needle," the first British stage farce.

It remains curiously unloved by contemporary British directors, with the notable exception of Terry Hands, who having staged it twice at his native Royal Shakespeare Company now makes "The Merry Wives" his National Theatre debut. Curiously too, given his evident obsession with it, Hands has precious little to tell us about the play. He simply gives it an excellently stage-managed canter around the stage, with such experienced old troupers as Denis Quilley and Brenda Bruce milking every possible laugh out of some of ten painfully unfunny small-town mishaps.

"The Merry Wives" has always seemed to me to celebrate low jinks rather than high jinks, and not even a fireworks display and the now requisite bands of strolling choirboys can make one believe that the Olivier stage has another "Wind in the Willows"-type family celebration. The Ford-jealousy subplot still seems to belong in some altogether other drama, and a large supporting cast finds itself supporting precious little.

Much of the current vitality of a wintry West End comes from "fringe" companies taking advantage of unbooked theaters to establish a commercial beachhead around Shaftesbury Avenue and make some full-



Maureen Beattie as Mistress Page in "The Merry Wives of Windsor."

price ticket money before heading off on the road once again. And while the laughs in "Merry Wives" have to be dredged up by the cast from a leaden and labored text, Cheek by Jowl has a much easier and happier time of it with "As You Like It" (Albery).

Coming off a world tour that has triumphed from Moscow to Paris and on to the United States, this Declan Donnellan production is all male, not in itself a breakthrough, since the National Theatre thought of it 30 years ago, but nonetheless fresh enough to keep the play bubbling along merrily through its own cross-dressing shenanigans.

This production, never before in the West End, went on the road in July 1991, led then as now by Adrian Lester as a man playing a woman playing a man playing a woman in Donnellan's wistful celebration of confused sexuality. Other casting has improved in the meantime, especially Michael Gardiner as a dark, cruising Jacques rightly determined to remind us that even in the Forest of Arden, there are sexual predators.

Nick Ormerod's customarily bare stage gradually fills with light and colored ribbons as Cheek by Jowl strips down and then reassembles all the parts in an "As You Like It" that demands, and gets, total reappraisal of a familiar text.

"The Three Lives of Lucie Cabrol" has also been about a bit at home and abroad these last few months, and has now been chosen by Simon McBurney's Theatre de Complicite to mark the company's first commercial season at the cavernous Shaftesbury Theatre.

**I**F this transfer works a little less well than Cheek by Jowl's, it may simply be that "As You Like It" has recently been playing broad stages abroad and is more acclimated to expansion. Theatre de Complicite still looks a little lost behind a very wide proscenium arch, and this once close-up story of a chameleonic French peasant is somewhat less effective in long-shot, when viewed across several rows of stalls. For all that, "Lucie" is not to be missed.

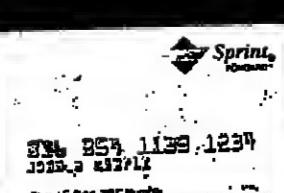
She is the Cocadille, the strangely misshapen creature of the peasant earth who grows up to be a successful smuggler and eventually, cheating death, achieves immortality as a spirit, at last reunited with her one true love.

Drawn from one part of a book by John Berger, "Lucie Cabrol" is a picaresque fable about the power of the land, the need for greed, and the eventual triumph of the human spirit over all adversity so long as it is supported by love as strong as the hate it replaces.

Lilo Baur, in the title role, is part Peter Pan, part Hunchback of Notre Dame. It's a dazzling portrayal.

Her story is acted out by a team that becomes her family, the beasts of her fields and even the berry bushes on which she finds the key to her ultimate wealth. This is a mesmeric, landmark evening.

A SIMPLE  
CURE FOR THE FEAR OF  
FOREIGN PHONES.

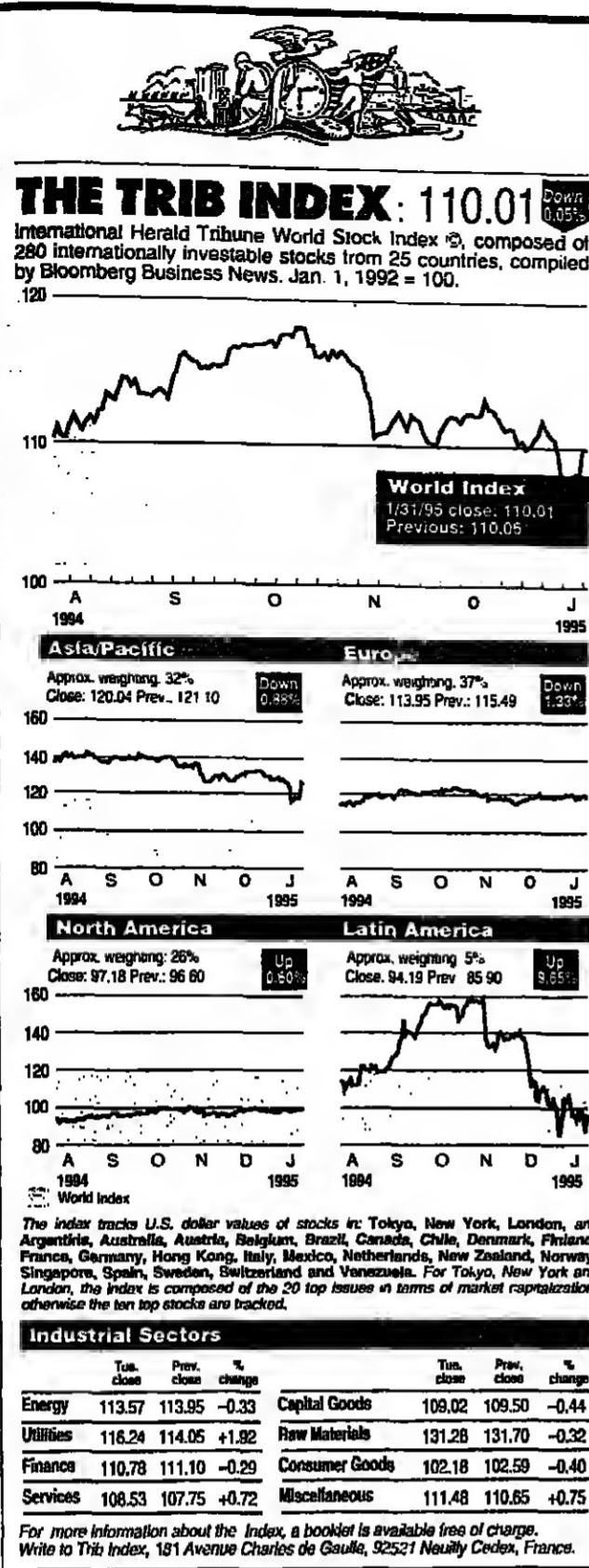


Herald Tribune  
INTERNATIONAL

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Belarus + 375	1-800-877-8000	Finland + 358	1-800-107-777	Lebanon + 961	800-777
Belgium + 32	0800-10014	France + 33	19-0067	Lithuania + 370	155-9777
Belarus + 375	1-800-623-0877	Germany + 49	0130-001-013	Luxembourg + 352	8-197
Bolivia + 591	800-333	Greece + 30	008-001-411	Macao + 853	0800-121
Bolivia + 591	000-8075	Greece + 30	050-1366	Malaysia + 60	800-0016
Bolivia + 591	1-800-87-8000	Greece + 30	195	Malta + 356	1-800-887-8000
Bolivia + 591	00-800-100-10	Honduras + 504	1-800-1877	Mauritius + 238	19-0087
Bolivia + 591	1-800-97-8000	Hong Kong + 852	011	Mexico + 52	06-022-1119
Bolivia + 591	00-0317	Hungary + 36	00-800-001-077	Netherlands + 31	0800-111-015
Bolivia + 591	108-13	Iceland + 354	991-003	Nicaragua (Managua) + 505	0800-121-001
Bolivia + 591	980-130-010	India + 91	000-137	Panama (Panama City) + 507	1-235-0333
Bolivia + 591	163	Indonesia (Jakarta) + 62	001-801-15	Paraguay (Asuncion) + 595	1-72-177
Bolivia + 591	993-800-13	Indonesia (Jakarta) + 62	008-801-15	Peru (Lima) + 51	1800-15-877
Costa Rica + 506	1-800-100-10	Indonesia (Jakarta) + 62	171	Philippines (BTW, Manila only) + 63	105-01
Costa Rica + 506	1-800-97-8000	Indonesia (Jakarta) + 62	008-801-15	Philippines (MANILA) + 63	103-611
Costa Rica + 506	00-0317	Indonesia (Jakarta) + 62	008-801-15	Philippines (PLDT) + 63	103-16
Costa Rica + 506	108-13	Indonesia (Jakarta) + 62	008-801-15	Poland + 48	0070-04-800-115
Costa Rica + 506	993-800-13	Indonesia (Jakarta) + 62	008-801-15	Portugal + 351	030-01-077
Costa Rica + 506	1-800-87-8000	Indonesia (Jakarta) + 62	008-801-15	Puerto Rico + 1	1-400-57-8000
Costa Rica + 506	00-0317	Indonesia (Jakarta) + 62	008-801-15	Romania + 40	01-800-15-877
Costa Rica + 506	108-13	Indonesia (Jakarta) + 62	008-801-15	Russia (Moscow) + 7	135-123
Costa Rica + 506	993-800-13	Indonesia (Jakarta) + 62	008-801-15	Russia (Moscow) + 7	809-155-6132
Costa Rica + 506	1-800-87-8000	Indonesia (Jakarta) + 62	008-801-15	Spain + 34	235-0333
Costa Rica + 506	00-0317	Indonesia (Jakarta) + 62	008-801-15	Sri Lanka (Colombo) + 94	1-72-177
Costa Rica + 506	108-13	Indonesia (Jakarta) + 62	008-801-15	San Marino + 378	1800-15-877
Costa Rica + 506	993-800-13	Indonesia (Jakarta) + 62	008-801-15	Senegal + 221	1800-15-877
Costa Rica + 506	1-800-87-8000	Indonesia (Jakarta) +			

International Herald Tribune, Wednesday, February 1, 1995

Page 9



## GM Says Earnings Doubled In 1994

Bloomberg Business News

DETROIT — General Motors Corp. said Tuesday that earnings for 1994 nearly doubled from the previous year, as the company's North American operations posted their first annual profit since 1989.

Separately, GM said it planned to buy back as many as 15 million of its common shares over the next 12 months to distribute through the company's stock savings plans. GM officials were not immediately available for comment.

Net income at the largest American automaker rose 34 percent in the last three months of 1994, to \$1.57 billion. Worldwide revenue rose 14 percent, to \$42.55 billion.

GM said net income of \$4.9 billion for the full year included a charge of \$758 million related to an accounting change for disability benefits. It earned \$2.5 billion, or \$2.13 a share, in 1993. The 1993 results included a charge of \$478 million for accounting changes.

Full-year revenue rose 12 percent, to \$154.95 billion. GM stock closed at \$38.875, up \$1.50, on the New York Stock Exchange.

North American operations, which include GM's main business of car and truck manufacturing, posted an operating profit of \$492 million for the fourth quarter of 1994, after losing \$328 million in the third quarter.

The division's full-year profit was \$690 million, after a loss of \$872 million for 1993 and more than \$17 billion in cumulative losses since 1990.

GM's international division posted fourth-quarter operating profit of \$374 million, up 41 percent from the previous year, because of gains in Europe and the Asia/Pacific region.

## Santer Will Need To Clear the Air

By Barry James

International Herald Tribune

PARIS — Jacques Santer, president of the European Union's executive commission, will face a tough reception in Paris on Friday for apparently opposing a French attempt to impose quotas on European television productions.

Mr. Santer, on his first official visit to Paris since taking over the commission presidency last week, will be asked to state his position "without ambiguity," according to France's minister for European affairs, Alain Lamassoure.

Mr. Santer's remarks, in an interview with the International Herald Tribune, created a shock last week in the French government, which holds the revolving presidency of the 15-nation Council of Ministers.

Mr. Lamassoure said that France had made "cultural independence" in Europe a keystone of its policies during its presidency. France wants the commission to draft legislation imposing minimum quotas for European audiovisual productions and providing financial support for the industry.

Mr. Santer is seeking to avoid the kind of clash on cultural issues with the United States that came close to scuttling talks under the General Agreement on Tariffs and Trade. He said Friday, "A quota is always something artificial that can only last for a certain period of time." A spokesman later said the commission was seeking the best way of helping the industry.

Mr. Santer was supported by Martin Bangemann, the EU commissioner for industry and telecommunications.

But Mr. Bangemann said there should be financial props for the audiovisual industry and suggested taxing television stations that show U.S. productions to raise revenue to help European program makers.

A 1989 directive called "Television Without Frontiers" requires EU television stations to ensure that most of their programs are of European origin. France wants the directive to be turned into a much stiffer and legally constraining quota system, which is expected to be strongly opposed by the United States.

Mr. Santer, a former prime minister of Luxembourg, has also shaken many in the French establishment by his decision to allow English to join French as an official language at EU news briefings.

The move is in the right direction, and we have to see what kind of permanent policies will come out of this," said David Spiegelman, vice president of First Chicago Corp. in New York.

The Mexican government was more emphatic. "The new financial package fully meets the objective of stabilizing financial markets," the Finance Ministry said. "For that reason the guarantees sought by the government of the United States will not be necessary."

## Markets Cheer New Plan Clinton's Maneuver Aids Peso and Bolsa

Compiled by Our Staff From Dispatches

MEXICO CITY — Investors were elated by President Bill Clinton's plan to provide aid to Mexico despite a recalcitrant American Congress, and the battered peso and Mexican stock market posted sizable gains Tuesday.

Mr. Clinton's program, which includes assistance from the International Monetary Fund and the Bank for International Settlements, also took pressure off the dollar. Although the ramifications for the dollar were not clear, Mexico's economic problems have been weighing on the U.S. currency.

In late trading, the dollar stood at 5.6950 pesos, down from 6.3500 pesos at Monday's close. The peso was punished by the market Monday, when the International Herald Tribune reported that Mexico's foreign-exchange reserves were as low as \$2 billion. Although Mexico denied the report, it would not provide a figure.

The dollar ended last week at 5.7350 pesos, compared with less than 3.50 pesos before the Mexican financial crisis erupted.

Other regional exchanges benefited as well, and the Latin American component of the International Herald Tribune World Stock Index rose 9.65 percent to 94.19, in late trading.

The Mexican government gave Mr. Clinton's plan a tangible vote of confidence by canceling its weekly sale of dollar-indexed tesobono bonds. The securities, which are one of the key elements in the Mexican crisis, will pay far lower interest rates if the cash crunch is resolved, and the government said it did not want to pay the yields investors were demanding Tuesday.

Although the bonds were not sold, investors bid for three-month tesobonos at a yield of 26.97 percent, up from 24.98 percent last week, while six-month tesobonos would have

deficit of \$28 billion, a level that seems far out of proportion to the country's output.

Mr. Clinton has been anxious to help Mexico because its economy is closely linked to that of the United States. Mexico is virtually tied with Japan as America's second-largest export market, meaning a collapse of living standards would hit the U.S. economy. In addition, as Mr. Clinton noted Tuesday, economic turmoil in Mexico would exacerbate the flow of illegal immigrants into the United States.

After the peso's sharp fall

Monday, Mr. Clinton said, he could not wait for Congress to approve a \$40 billion loan-guarantee package, so he instead crafted a program with the IMF and BIS, which groups central banks of major industrialized countries.

"The move is in the right direction, and we have to see what kind of permanent policies will come out of this," said David Spiegelman, vice president of First Chicago Corp. in New York.

The Mexican government was more emphatic. "The new financial package fully meets the objective of stabilizing financial markets," the Finance Ministry said. "For that reason the guarantees sought by the government of the United States will not be necessary."

See PESO, Page 10

## Luxembourg Court Opens Way for BCCI Settlement

Compiled by Our Staff From Dispatches

LUXEMBOURG — After waiting more than three years, creditors of failed Bank of Credit & Commerce International may begin getting some of their money back this summer.

A Luxembourg court cleared the way Tuesday for recovery of a small amount of the lost money — about 15 cents on the dollar — by approving a revised settlement plan.

"The court finds that this agreement is in the best interests of the creditors," Judge Maryse Weiler said.

Under the plan, the bank's majority

shareholders — the government and ruling family of Abu Dhabi — must pay \$1.8 billion toward a global settlement fund. Abu Dhabi is part of the United Arab Emirates.

Judge Weiler turned down a similar proposal plan last year, saying it was too favorable to the majority shareholders and did not take small creditors into consideration.

Banking regulators closed BCCI branches around the world in July 1991, leaving claims of about \$10 billion.

Officials alleged BCCI had been used to launder money for international drug

traffickers, but some of the depositors who lost money blamed the bank's woes on lax regulation by authorities including the Bank of England.

Barring an appeal of the court-approved plan, depositors could get back about 15 cents for every \$1 they lost in the bank's collapse, according to a Luxembourg liquidator, Georges Baden.

Liquidators initially hoped to pay 30 cents to 40 cents on the dollar, but that now looks unlikely.

Under the plan, Abu Dhabi would turn over \$1.55 billion right away and the rest within three years, Mr. Baden said.

With the first installment, dividend payouts would be possible by this summer, he said.

Mr. Baden said liquidators still hoped to recover "huge amounts" of the bank's money frozen in the United States.

Creditors may appeal Tuesday's ruling, which was made by a three-judge panel in Luxembourg. But the plan was approved in September by a creditors' committee and has been approved by courts in London and the Cayman Islands, sites of other BCCI headquarters.

(AP, Reuters)

## MEDIA MARKETS

### Nova TV Is Becoming a Star

By Robert D. Gray  
Special to the Herald Tribune

PRAGUE — Nova Television, the first private national station in the former Eastern bloc, will celebrate its first birthday Saturday and appears to have achieved considerable success.

The station has dominated Czech television, gaining a market share of more than 60 percent and effectively ending the 42-year monopoly of the Czech state network, CTV. And Czechs take their television seriously. Recent studies suggest they spend about 75 percent of their leisure time in front of the tube.

"It is a story of the success of a market economy and the success of cooperation between Western know-how and local knowledge," said Vladimír Zelezny, Nova's director general. "This is a very important example for other countries. We hope there will be followers, partners in Slovakia and Poland."

Nova's start-up was backed 75 percent by Central European Development Corp. and 25 percent by Czech Savings Bank.

Mr. Zelezny says the key to Nova's success is a balanced schedule, with Czech movies, American movies and Nova's own entertainment, news and current-affairs programs. About 45 percent of Nova's programming is of Czech origin, well above the 25 percent mandated by the government for its first year.

Success has also been reflected on the bottom line. Barry Hirsch, Nova's director of advertising sales, says that while first-year revenue was originally forecast at \$3.5 million to \$40 million, the station has surpassed all

those predictions, with advertising sales of more than \$50 million. In the past, \$57 million to \$59 million was the total for the entire Czech TV market.

Robert Penazka, an account supervisor for Leo Burnett Prague, an affiliate of the Chicago-based advertising agency, says Nova's success is welcomed by advertisers because it "creates competitiveness" in the market. Mr. Penazka said all his firm's TV clients advertised on the private station. "Nova has created a new era in our media," he said.

Nova is apparently helping to shape Czech viewing habits as well, as shown by its success in broadcasting reruns of the popular American series M\*A\*S\*H, which has a 30 percent rating at 10:30 P.M. — an hour that had been considered "late night" because of Czechs' traditional sleeping and working patterns.

"People have changed their accustomed way of life, and they now go to bed 30 minutes later," after watching M\*A\*S\*H," Mr. Sladek said.

Films from studios such as Czech Barrandov, Buena Vista International, Columbia/Tristar and France's Gaumont have also helped the station gain its hold on the market.

Analysts also say a prime reason for Nova's success is the fact that all programs are fully dubbed in Czech. "There is no interest in shows broadcast in the original language," Mr. Zelezny said.

Nova's toughest battles to date have been wrangling with the Czech government. "The legislative framework in this country is not prepared to accept commercial television," Mr. Zelezny said. "It fits the needs of public or state television."

## CURRENCY & INTEREST RATES

### Cross Rates

	A	B	D.M.	F.F.	Lira	D.F.I.	S.F.	Yen	CS. Peseta
Amsterdam	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
Brussels	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
Frankfurt	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
London (d)	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
Milan	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
Munich	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
New York (d)	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
Paris	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
Tokyo	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.071
Toronto	1.071	1.071	1.325	1.060	1.071	1.071	1.071	1.071	1.



# Michelin Plans Europe Venture With Continental

Bloomberg Business News

**PARIS** — Michelin, the French tire manufacturer, and Continental AG of Germany said Tuesday they planned a joint venture in Europe that would cut costs and help Michelin move into the low-cost tire market.

The companies did not estimate the financial value of the deal, though they said they hoped it would lead to a reduction in annual costs for each

around 300 million French francs (\$57 million).

Cie. Générale des Établissements Michelin, the world's largest tiremaker, said the companies signed a letter of intent to begin "rapid accords" on cooperation in specific areas. It said the accord would not include equity cross-holdings.

Michelin said cooperation would take place in four areas: recycling, improving services, reducing costs and access to common production facilities for inexpensive tires.

Michelin said combining strengths "will permit an improvement in efficiency and competitiveness for each in the interest of their customers."

The company created under the venture will be owned in equal parts by each company, and each will contribute equally to the venture, Michelin said.

A Michelin spokesman said the market for low-cost tires in Europe was growing and that Michelin was eager to move further into that area.

Michelin has come under pressure in recent years to cut costs. Analysts said Japanese and U.S. tiremakers had caught up with Michelin technologically, depriving it of a key marketing edge: the ability to boast superior quality.

Two weeks ago, Continental agreed with its Italian rival, Pirelli SpA — which tried to take it over two years ago — to jointly research development of new truck tires.

That project was the first of its kind between the German and Italian companies. It was not expected to lead to any broader cooperation.

## Murdoch Hints At Price Rise For Papers

Compiled by Our Staff From Dispatches

**DAVOS, Switzerland** — Rupert Murdoch and Conrad M. Black, whose newspapers have led a price war in Britain, indicated Tuesday that the rising cost of paper may force prices back up.

Mr. Murdoch, chief executive of News Corp., said: "The price of paper has gone up by 30 or 40 percent in the last three months. That changes the economics of newspapers."

He added that News Corp. had not yet made a decision on raising prices of its newspapers including its flagship daily, The Times.

Analysts in Britain said the price war had cut newspapers' operating margins to the bone.

After Mr. Murdoch's comments at the World Economic Forum here, he talked with Mr. Black.

Mr. Black, chairman of Daily Telegraph PLC and Hollinger Inc., said, "If he raises his price, we could raise ours." He added that personal relations between the two men were good.

Mr. Murdoch said circulation of The Times had doubled as a result of the price war.

(Bloomberg, Reuters)

Mr. Polevanov, who was before Polenov, the news agency Interfax said. Some decisions have already been canceled, including the one that placed the State Property Committee headquarters off limits to reporters and foreigners.

(Reuters, AFP)

## Russia to Stay on Course

### New Privatization Chief Backs Reforms

Compiled by Our Staff From Dispatches

**MOSCOW** — Promising to bring relations with foreign investors back to "where they were before," Russia's new privatization chief said Tuesday he had no intention of nationalizing recently privatized companies.

"We have to emphasize that our relations with foreign investors remain on the same basis as they were before Polenov," he said, referring to his predecessor, Vladimir Polevanov, who was ousted last week after just 34 days in office for urging that some recent privatizations, particularly in the fuel and aluminum industries, be reversed.

"The hopes of some political activists and interested parties that there will be nationalization are completely without foundation," Mr. Mostovoi said.

Analysts say Mr. Polevanov's dismissal is being publicized by the Kremlin as proof that it intends to stick to its market reforms, which include privatization of state-run industries.

"Nothing changes in the strategy and tactics of reform in Russia on the part of the president or his government," President Boris N. Yeltsin said.

Mr. Polevanov last month banned foreigners as well as several journalists from his committee's headquarters, saying the state's privatization secrets needed protection.

Meanwhile, authorities have set up a com-

mission to overturn decisions made by Mr. Polevanov, the news agency Interfax said. Some decisions have already been canceled, including the one that placed the State Property Committee headquarters off limits to reporters and foreigners.

(Reuters, AFP)

#### Coal Producers to Meet With Officials

Rosugol, the Russian coal producers' group, said it planned to meet with government officials this week to seek a solution to a crisis involving money owed to producers, Reuters reported.

Rosugol's chairman, Yuri Malyshev, said Rosugol enterprises were owed more than 2.1 trillion rubles (\$524 million) as of Jan. 1.

"About half of this sum is owed by industrial consumers, mainly electricity producers, while the other half, about 850 billion rubles, is owed by the federal budget," he said.

Rosugol says Russia's coal sector will need 14.3 trillion rubles in state subsidies this year, but the 1995 budget draft allowed for only 6.3 trillion rubles.

Mr. Malyshev said he had no fundamental objections to plan by the World Bank to help restructure Russia's coal industry. "We agree with the World Bank, which says our coal industry is highly unprofitable," he said.

Meanwhile, authorities have set up a com-

## Electrolux Says Cuts Help Profit

Compiled by Our Staff From Dispatches

**STOCKHOLM** — Electrolux AB said Tuesday that 1994 pretax profit after financial items rose fivefold because of improved sales, cost-cutting and one-time gains.

Electrolux, the world's third-largest household appliance maker, after Whirlpool Corp. and General Electric Co. of the United States, said pretax profit rose to 6.35 billion kronor (\$853 million) from 1.25 billion kronor in 1993.

The results reflect a restructuring and streamlining program undertaken by the company over three years ago, said Leif Johansson, its chief executive.

"We saw the world bad opened up — we could get into markets in India and China, all of Asia," he said. "We decided to grow with fewer products in a greater area."

Sales rose 8 percent, to 108.3 billion kronor. The company doubled its year-end dividend to 12.50 kronor a share.

The result exceeded analysts' expectations, but Electrolux stock held steady at 376 kronor.

The sale of Electrolyt Automobil AB, a subsidiary that makes automobile airbags, gave the company a one-time gain of 2.78 billion kronor.

Electrolux also bought AEG Haushgerate AG, the domestic-appliance unit of AEG AG, for about 750 million Deutsche marks (\$496 million).

AEG Haushgerate added 3.1 billion kronor in sales to Electrolux's balance sheet. "The result reported for the operation acquired has fully compensated for the costs of the acquisition," Electrolux said.

(Bloomberg, Reuters)

## Investor's Europe

Frankfurt	London	Paris
DAX	FTSE 100 Index	CAC 40
2300	3000	2100
2200	2200	2000
2100	3100	1900
2000	3000	1800
1900	2900	1700
1800	2800	1600
1700	2700	1500
1600	2600	1400
1500	2500	1300
1400	2400	1200
1300	2300	1100
1200	2200	1000
1100	2100	900
1000	2000	800
900	1900	700
800	1800	600
700	1700	500
600	1600	400
500	1500	300
400	1400	200
300	1300	100
200	1200	80
100	1100	50
0	1000	0

Sources: Reuters, AFP

International Herald Tribune

## Very briefly:

• Bayerische Motoren Werke AG's sales rose 45 percent, to 42.1 billion Deutsche marks (\$28 billion) in 1994, with the help of sales by Rover Group PLC, which it bought last year.

• Germany had a provisional trade surplus of 8.5 billion DM in November, after an unvised 7 billion DM surplus in October.

• Samsung Aerospace Industrial Co. of South Korea has bought Rollion GmbH of Germany.

• German new car registrations are expected to rise 3 percent this year to 3.3 million units.

• British companies invested £17 billion (\$27 billion) in their overseas divisions and associate companies in 1993, about 68 percent more money than in the previous year.

• Hellenic Telecommunications Organization SA, the Greek state-run company, plans to float 10 percent of its equity on the Athens Stock Exchange after April.

• Austrian Airlines AG ordered four Fokker-70 jets, an order valued at about 1 billion Austrian schillings (\$94 million).

• French unemployment in December was a seasonally adjusted 12.6 percent of the labor force, unchanged from November but up from 12.4 percent a year earlier.

(Reuters, Knight-Ridder, AFX, Bloomberg, AFP)

## Argentaria Shares Drop on Results

Bloomberg Business News

**MADRID** — Shares in Argentaria Corporación Bancaria de España SA fell Tuesday as the state-controlled banking group said 1994 net profit rose a smaller-than-expected 2.4 percent after huge trading losses.

Argentaria's earnings of 66.4 billion pesos (\$503 million) were also hurt by low demand for credit and increased competition in the mortgage market, the company said.

Huge losses in Argentaria's investment portfolio were triggered by turbulence in European financial markets last year, which pushed long-term interest rates from 7.70 percent in

January to 11.88 percent by the end of the year.

Interest-rate fluctuations affect the value of fixed-income securities such as bonds. Argentaria, one of the biggest investors in government debt in Spain, has a large presence in the bond markets.

Argentaria lost 21.5 billion pesos on its investment activities in 1994, after a profit of 52.2 billion pesos in 1993.

(Bloomberg, Reuters)

## Veba Says '94 Profit Rose, and Thyssen Sees Rosy '95

Bloomberg Business News

**DUSSELDORF** — Veba AG, a diversified utility company, said Tuesday its 1994 profit rose strongly because of higher sales, a reorganization and cost-cutting.

Veba's pretax profit grew 66 percent, to 2.5 billion Deutsche marks (\$1.6 billion) from 1.5 billion DM in 1993. Sales rose 7 percent to 71 billion DM, primarily because of the first-time consolidation of its distributors in Eastern Germany.

Regarding its 1994 dividend, Veba said only that its chief executive, Ulrich Hartmann, wanted to "restore a more profit-linked dividend policy."

The company said lower costs and rising sales, particularly in its steel business,

would boost net income in the year ending Sept. 30 to well above the 90 million DM reported in its 1994 financial year.

Heinz Kriewet, Thyssen's chief executive, said the company's policy was to pay out "at least as much" in dividends to shareholders as is transferred to re-

serve. Thyssen did not declare a dividend in 1993 or 1994, after paying 6 DM a share in 1992. But the hoped-for improvement in earnings should enable Thyssen to pay a "satisfactory dividend" for 1995, the company said.

## Hungary's Utility Sales Criticized

Reuters

**BUDAPEST** — Prime Minister Gyula Horn on Tuesday criticized the planned privatization of Hungary's utilities and indicated his government wanted more influence over central bank policy.

"It is of strategic importance that the country not be dependent either on foreigners or on domestic private businesses in terms of its power

supply," Mr. Horn said in an interview with the daily newspaper Nepszabadsag.

Mr. Horn did not say he would halt the privatizations.

His comments came when foreign investor confidence in Hungary was already shaky after the weekend resignation of the finance minister and the recent dismissal of the privatization commissioner and resignation of the central bank president.

Mr. Horn's comments came as several journalists and analysts said the government was considering a freeze on utility privatizations.

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Mr

**NYSE****Tuesday's Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month  
High Low Stock Div Yld PE 100% High Low Latest Chg%

Stock	Div	Yld	PE	100%	High	Low	Latest Chg%
AT&T	0.00	0.00	10.0	100.0	43.00	40.00	-0.50 (-1.16)
American Express	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
AT&T Corp.	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
AT&T Long Distance	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
AT&T Mobility	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
AT&T Telecommunications	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Bell Atlantic	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Bell South	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Boeing	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Citigroup	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Coca-Cola	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Eastman Kodak	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Ford Motor	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
General Electric	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
General Mills	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
IBM	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Johnson & Johnson	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Kodak	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Lever	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Merck	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Nestle	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
PepsiCo	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Procter & Gamble	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
RJR Nabisco	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Sears	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
United Technologies	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Verizon	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Walt Disney	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Westinghouse	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
Yankee	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)

12 Month High Low Stock	Div	Yld	PE	100%	High	Low	Latest Chg%
AT&T	0.00	0.00	10.0	100.0	43.00	40.00	-0.50 (-1.16)
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AT&T Telecommunications	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
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PepsiCo	0.00	0.00	10.0	100.0	100.00	98.00	-2.00 (-2.00)
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Kodak	0.00	0.0					

## Australia in Overdrive

### Government to Step Up Budget Tightening

Compiled by Our Staff From Dispatches

CANBERRA — Australia will post a current account deficit 70 percent larger than previous estimates for the year ending June 30, according to government data released Tuesday.

The revised estimates also show larger increases in economic growth, inflation and the budget deficit, despite recent

government efforts to cool an overheating economy.

Treasurer Ralph Willis told Parliament that the government would step up budget-tightening measures in response to the new figures, with the goal of returning the budget to surplus by 1996, two years earlier than planned. He did not elaborate.

The revised figures show the

current account deficit, the measure of a country's trade and overseas payments, reaching 26 billion Australian dollars (\$19.7 billion) for the current fiscal year, compared with a forecast last May of 18 billion dollars.

Mr. Willis blamed the higher figure on a drought in eastern Australia, which has reduced agricultural exports.

Gross domestic product is expected to rise 3.5 percent in fiscal 1995, compared with a forecast of 4.5 percent made in May.

Core inflation is now seen rising to 2.25 percent, rather than the earlier estimate of 2 percent.

Mr. Willis said the deficit is to come in at around 12.3 billion dollars, up from an original estimate of 11.7 billion dollars.

Mr. Willis said the wider budget deficit was due to a delay in the sale of the government's remaining 75 percent of Qantas Airways caused by a falling stock market.

Australian markets reacted negatively to the news. The Sydney Stock Exchange's All Ordinaries Index fell 26.1 points or 1.4 percent, and the yield on the benchmark 10-year government bond rose to 10.41 percent from 10.17 percent Monday.

On the plus side, the government said it expected business investment in the current budget year to increase 24 percent, up from an earlier estimate of 14 percent.

New Zealand stocks, meanwhile, posted their biggest losses in six weeks as optimism that interest rates had peaked evaporated in the face of a central bank warning and figures showing an economy growing faster than expected.

(Reuters, Bloomberg, Knight-Ridder, AFP, AFX)

### Axa to Acquire Stake In Australian Insurer

Bloomberg Business News

PARIS — Axa SA said Tuesday it would acquire control of National Mutual Life Association of Australasia, Australia's second-largest insurance company.

The move will provide Axa, France's fourth-largest insurer, with a stepping stone to China through National Mutual's presence there and in other Asian markets.

The deal calls for Axa to pay 1.1 billion Australian dollars (\$834 million) for 40 percent of National Mutual, with the stake rising automatically to 51 percent once the Australian group converts from a mutual insurer to a publicly traded company on the Australian and New Zealand stock exchanges.

National Mutual, in return, will receive the cash infusion it needs to strengthen its balance sheet, as well as the opportunity to become a publicly traded company.

National Mutual members will vote on the deal at a special meeting in June.

Analysis said the deal was similar in structure to Axa's \$1 billion purchase of a controlling stake in Equitable Life Assurance Co., the U.S. mutual insurer, in 1991. Equitable subsequently became publicly owned, and Axa currently holds 60 percent of the stock.

Claude Bebear, chief executive of Axa, said National Mutual would become Axa's "third pillar in its global operation, with responsibility for the Asian-Pacific region."

The Australian government Tuesday raised eyebrows in the industry by approving the takeover, reversing a policy of disapproving of mergers with non-Australian companies.

Analysts said the change of position signaled that the door was open for other such mergers — in particular, for Australian Mutual Provident Society, the nation's largest insurer.

### NYSE

#### Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Confirmed)

12 Month High Low Stock									
	DIV	YTD	PE	1994	High	Low	Last	Chg.	Chg. %
AT&T	45	24	15	12	13	11	12	-1	-8%
Bell Atlantic	44	12	14	12	14	11	12	-1	-8%
Boeing	10	10	10	10	10	9	9	-1	-11%
IBM	10	10	10	10	10	9	9	-1	-11%
Motorola	10	10	10	10	10	9	9	-1	-11%
Philip Morris	10	10	10	10	10	9	9	-1	-11%
Procter & Gamble	10	10	10	10	10	9	9	-1	-11%
United Technologies	10	10	10	10	10	9	9	-1	-11%
Verizon	10	10	10	10	10	9	9	-1	-11%
Wal-Mart Stores	10	10	10	10	10	9	9	-1	-11%
Westinghouse	10	10	10	10	10	9	9	-1	-11%
Yankee	10	10	10	10	10	9	9	-1	-11%

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IBM	10	10	10	10	10	9	9	-1	-11%
Motorola	10	10	10	10	10	9	9	-1	-11%
Philip Morris	10	10	10	10	10	9	9	-1	-11%
Procter & Gamble	10	10	10	10	10	9	9	-1	-11%
United Technologies	10	10	10	10	10	9	9	-1	-11%
Verizon	10	10	10	10	10	9	9	-1	-11%
Wal-Mart Stores	10	10	10	10	10	9	9	-1	-11%
Westinghouse	10	10	10	10	10	9	9	-1	-11%
Yankee	10	10	10	10	10	9	9	-1	-11%

### Nomura Sees a Shake-Up

Reuters

TOKYO — Nomura Securities Co. says a restructuring of Japan's securities industry may be inevitable because of the protracted slump in the stock market.

"There are no brokerages which are confident about their present and future financial health in the current environment," Kenichi Takeshita, the company's director, said in an interview this week.

Century Securities Co., a medium-sized brokerage and an affiliate of Daiwa Securities Co., said Friday that the government of Brunei would buy a 20 percent stake in the company. The move would be the first foreign stake that would allow management rights in a full-service Japanese securities company.

"Brunei's capital participation will not be the last," Mr. Takeshita said.

Analysts and industry sources said the Ministry of Finance had become more liberal about letting foreigners buy into Japanese securities firms, given the low stock market turnover and the fact that many brokerages have been posting losses.

In addition to soliciting outside capital, brokerages will have to continue efforts to slash costs, Mr. Takeshita said.

The Japan Securities Dealers Association said 215 Japanese brokerages had combined losses of \$8.1 billion yen (\$858 million) in the first half of this financial year.

Tokyo's stock market slump began with a plunge in the Nikkei average from its record high of nearly 30,000 at the end of 1989. In 1994, the Nikkei meandered between 17,000 and 21,500.

Mr. Takeshita pointed out that brokerage firms depend on volatility in the markets. "If the market does not move, it means people do not have an opportunity to win or lose, and it cannot attract people," he said.

He said Nomura's parent current profit, which is similar to pretax profit, was below its forecast of 70 billion yen so far in the financial year ending March 31.

In its last financial year, Nomura had a current profit of 50.6 billion yen.

Nomura had expected average daily turnover on the first section of the Tokyo exchange to be about 400 billion yen. But in the latest quarter, Mr. Takeshita said, turnover was only about 260 billion yen a day.

He added, however, that since the Kobe earthquake on Jan. 17, market turnover had increased to about 500 billion yen a day.

### Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
10000	2400	21000
9000	2300	20000
8000	2100	19000
7000	2000	18000
6000	1900	17000
A SONO J 1994	A SONO J 1994	A SONO J 1995
Exchange	Index	Tuesday
Hong Kong	Hang Seng	Close
Singapore	Straits Times	Closed
Sydney	All Ordinaries	2,083.36
Tokyo	Nikkei 225	18,649.82
Kuala Lumpur	Composite	883.29
Bangkok	SET	1,217.74
Seoul	Composite Stock	925.56
Taipei	Weighted Price	6,307.85
Manila	PSE	2,420.12
Jakarta	Stock Index	433.83
New Zealand	NZSE-40	1,939.82
Bombay	National Index	1,737.91

Sources: Reuters, AFP

International Herald Tribune

### very briefly:

- Chase Manhattan Bank of the United States has upgraded its operations in India, opening a branch to provide international banking services to large companies and financial services firms.
- Standard & Poor's Asia Ltd. revised its long-term outlook on Sumitomo Bank Ltd. from stable to negative.
- Fujitsu Ltd., the Japanese computer and communications concern, and Corporate Software Inc., the U.S.-based computer programming company, plan to set up a joint venture in March to sell discount computer software in Japan.
- Sumitomo Chemical Co., Chugai Pharmaceutical Co. and Hodogaya Chemical Co. of Japan are studying plans to merge their agrochemical subsidiaries.
- Marubeni Corp., the Japanese trading company, said a consortium from Japan, China and the United States had won an oil exploration license in Papua New Guinea and planned to spend as much as \$100 million on test drilling.
- The Philippines could face inflationary pressure ahead of the country's general election May 8, Manila's central bank said.

AFP, Bloomberg, AFX

### All Nippon Favors Short-Haul Planes

Compiled by Our Staff From Dispatches

TOKYO — All Nippon Airways Co. said Tuesday it had placed firm orders with Airbus Industrie for 10 short-haul A321-100s worth a total of \$6.5 billion yen (\$560 million).

The airline will defer delivery of five A340-300 long-haul aircraft. It also canceled orders for four of eight Boeing Co. 747-400s and will instead buy three 767-300s and three 777s.

The airline said it was scaling back orders for long-range planes and planned to fly more short routes in Asia.

(Reuters, AP)

### MBA

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**NASDAQ**

**Tuesday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded National Market securities in terms of dollar value. It is updated twice a year.

12 Month		High Low Stock		Div	Yld	PE	Ss		High Low LsLoLs		Chg%
High	Low	Stock	Div				100s	High	Low	LsLoLs	
1815	94	AACN	-	17	167	121/2	124/4	124/2	124/2	124/2	-1/4
2372	154	ABC Rob	-	21	93	211/2	213/4	213/2	213/2	213/2	-1/4
303	17	ABT Bid	-	12	78	120	124/2	15/2	15/2	15/2	-1/4
261	172	ACG Co	-	-	200	121/2	161/4	119/2	119/2	119/2	-1/4
222	51	ACCS EN	-	-	36	198	391/2	387/4	387/4	387/4	-1/4
404	31	ACG Tc	-	-	14	287	491/2	484/2	484/2	484/2	-1/4
51	74	ADC Td	-	-	14	193	177/2	171/4	171/4	171/4	-1/4
214	131	Adflex	-	-	34	160	241/2	238/2	238/2	238/2	-1/4
174	84	AES Chin	-	-	16	160	241/2	238/2	238/2	238/2	-1/4
2373	154	AES Co	-	601	95	177/2	251/2	246/2	246/2	246/2	-1/4
337	19	AKR Annuity	-	-	40	4468	151/2	144/2	144/2	144/2	-1/4
321	32	AKR Hld	-	-	40	4468	26	257/2	257/2	257/2	-1/4
324	10	AKR AST	-	-	14	455	71/2	68/2	68/2	68/2	-1/4
291	14	AlbanyH	-	-	14	109	152/2	151/2	151/2	151/2	-1/4
164	78	Sle Able Tel	-	-	13	4346	145/2	139/2	139/2	139/2	-1/4
221	71	AchesHil	-	-	7	172	173/2	171/2	171/2	171/2	-1/4
277	12	Acclaim	-	-	18	366	81/2	8	8	8	-1/4
1515	15	AcmeMot	-	-	21	1364	23/2	21/2	21/2	21/2	-1/4
1413	71	Actel	-	-	18	121	191/2	189/2	189/2	189/2	-1/4
244	15	ActivVoice	-	-	22	868	154/2	151/2	151/2	151/2	-1/4
16	91	ActuAxiom S	-	-	18	18164	181/2	175/2	175/2	175/2	-1/4
30	14	AdamsKrc	-	-	18	1070	152/2	151/2	151/2	151/2	-1/4
231	21	AdamsKrc H	-	-	18	1070	152/2	151/2	151/2	151/2	-1/4
210	16	AdamsKrc N	-	-	18	1070	152/2	151/2	151/2	151/2	-1/4
303	21	AdamsKrc Sv	-	-	18	1070	152/2	151/2	151/2	151/2	-1/4
574	20	AdamsTc	-	-	20	51	1070	152/2	151/2	151/2	-1/4
575	15	AdamsTt	-	-	20	50	204/2	195/2	195/2	195/2	-1/4
191	12	AdvTlB	-	-	18	872	161/2	151/2	151/2	151/2	-1/4
91	41	AdvTiss	-	-	18	514	8	73/2	73/2	73/2	-1/4
417	24	Adventura	-	-	27	409	211/2	207/2	207/2	207/2	-1/4
377	23	AdvoMedia	-	-	32	111	253/2	238/2	238/2	238/2	-1/4
247	17	AffCmpS	-	-	16	112	16	15	15	15	-1/4
141	17	Agape	-	-	16	112	16	15	15	15	-1/4
631	513	Akzon	-	1,300	32	51	204/2	195/2	195/2	195/2	-1/4
91	49	AlamCo	-	-	40	108	211/2	207/2	207/2	207/2	-1/4
283	19	AlamCo	-	-	40	108	211/2	207/2	207/2	207/2	-1/4
191	4	Alaldo S	-	-	40	108	211/2	207/2	207/2	207/2	-1/4
221	21	AlactoBld	-	-	48	13	344	271/2	21/2	21/2	-1/4
253	10	Alaris	-	-	27	528	65/2	20	20	20	-1/4
121	5	AlarisHn	-	-	27	528	65/2	20	20	20	-1/4
310	21	AlarisS	-	-	27	528	65/2	20	20	20	-1/4
311	22	AlarisSp	-	-	24	6	125	251/2	91/2	91/2	-1/4
201	21	AlarisTc	-	-	24	6	125	251/2	91/2	91/2	-1/4
481	21	AlarisTt	-	-	24	6	125	251/2	91/2	91/2	-1/4
359	14	AltRic	-	-	17	214	211/2	207/2	207/2	207/2	-1/4
255	12	Altran	-	-	17	467	35	34	34	34	-1/4
583	25	AmherSon S	-	72	29	143	191/2	154/2	154/2	154/2	-1/4
197	9	Ambridge	-	-	11	1160	151/2	151/2	151/2	151/2	-1/4
201	10	AmbridgeVoy	-	-	14	17	529	134/2	123/2	123/2	-1/4
140	10	AmbridgeW	-	-	17	503	142/2	142/2	142/2	142/2	-1/4
294	17	AmbridgeX	-	-	17	503	142/2	142/2	142/2	142/2	-1/4
247	17	AmProFhl	-	-	17	366	91/2	27/2	27/2	27/2	-1/4
311	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
193	17	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
105	5	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
201	11	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
105	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
301	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
302	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
105	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
303	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
304	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
305	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
306	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
307	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
308	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
309	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
310	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
311	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
312	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
313	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
314	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
315	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
316	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
317	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
318	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
319	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
320	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
321	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
322	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
323	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
324	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
325	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
326	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
327	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
328	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
329	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
330	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
331	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
332	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
333	14	AmProAgree	-	-	56	23	14	203/2	45/2	45/2	-1/4
241	25	AmProAgree	-	-	56	23	14</td				

S-C										
JY	25	BB&T	1.16	3.9	9	1145	29%	29½	29½	+ 1%
114	76	BB Aero	--	--	117	61	20½	20½	20½	- 1%
224	17	BISYS	--	--	23	769	21	20½	21	- 1%
201	11	BMC MI	--	--	21	280	57	20½	20½	- 1%
301	11	BMC Int'l	--	--	21	280	57	20½	20½	- 1%
524	11	BWP	.40	7.5	374	347	15	15½	15½	- 1%
523	11	BabySys	--	--	130	55	53	54	54	- 1%
224	13	BakerJ	.06	.4	8	965	14½	13½	13½	- 1%
12	6½	Balgem	--	--	506	7½	7	7½	7½	- 1%
681	29	BankOne	1.00	14	8	448	29	29	29	- 1%
681	29	BankOne	5.00	66	286	53½	53½	53½	53½	- 1%
379	10½	BancGold	.27	2.3	2784	17½	17½	17½	17½	- 1%
271	7	BanFirst	--	--	102	11	16½	16½	16½	- 1%
26	37	Bantia	.52	.31	13	2220	30½	30	30	- 1%
194	12	BanWestSy	.56	.70	102	17½	17½	17½	17½	- 1%
19	12	Bareff's	.12	.18	18	18	15½	15½	15½	- 1%
4334	1	Barrett	.80	.27	202	38	29½	29½	29½	- 1%
47	18½	BayNew's	--	--	2433282	20	28½	29½	29½	- 1%
161	9½	BayRider	--	--	1630	17	16½	17	17	- 1%
651	51	BayBks	2.00	16	10	455	55	55	55	- 1%
22	21	Bedford	--	--	2304	26½	25½	25½	25½	- 1%
211	21	BellSouth	.30	13	13	216	24½	24½	24½	- 1%
161	16	BellCob	--	--	2248	19	19	19	19	- 1%
81	12	BellSouth	--	--	2465	19	19	19	19	- 1%
161	12	BellSouth	--	--	18	785	15½	16½	16½	- 1%
32	32½	Bentley	.44	13	23	165	37	37½	37½	- 1%
181	7	Bernard	--	--	14	543	9	8½	8½	- 1%
323	11½	BestPerf	--	--	10	926	13½	12½	12½	- 1%
551	77½	Bogen	--	--	23	4896	36½	35½	35½	- 1%
151	9	Bionne	--	--	7102	14½	14½	14½	14½	- 1%
75	2	Biosphere	--	--	23	231	3½	3½	3½	- 1%
351	17	BioTech	--	--	794	29½	29½	29½	29½	- 1%
351	8½	BickBx S	--	--	52	33	28½	28½	28½	- 1%
151	1	Bidco	1.36	.63	590	27½	20½	20½	20½	- 1%
151	1	Bidco	2.9	.75	17	27½	20½	20½	20½	- 1%
171	10½	Birnbaum	--	--	347	11½	10½	10½	10½	- 1%
151	6	Birkend	--	--	1584	7½	6½	7	7	- 1%
301	24	BoastCo	.76	2.6	5	3460	15½	15½	15½	- 1%
24	13½	BoastCo S	--	--	28	919	13½	12½	13	- 1%
184	7½	BoasTIC	--	--						

**AMEX**  
American Express

**Tuesday's Closing**  
Tables include the nationwide prices up to  
the closing on Wall Street and do not reflect  
state trades elsewhere. Via The Associated Press

12 Month High Low Stock		Div	Yld	PE	SIS 100s	High	Low	Last	Chg/
A									
9	7 1/2 AIM Str	.40	0	7.5	46	8	8	0	-1/2
38 1/2	72 ALC	~	17	383	29%	29	29	-	-1/2
1 1/2	8 AM Int'l	~	19	7	303	23%	23	23	-1/2
13 1/2	94 AMC	~	19	360	11%	11	11	-	-1/2
26 1/2	201 AMC pt	1.75	7.8	95	23%	23	23	-	-1/2
4 1/2	2 ARC	~	18	184	3%	2%	3	-	-1/2
26	19 1/2 ARM F pt	2.38	10.6	1	6	22%	22	-	-1/2
10	19 1/2 ARM F pt	1.08	3.0	28	22%	20%	20	-	-1/2
70	61 1/2 ATT-Ft	2.73	4.1	27	42%	42%	42	-	-1/2
8 1/2	5 1/2 AdvCom	~	27	213	7%	7	7	-	-1/2
3 1/2	1 1/2 Action	~	31	119	11%	11	11	-	-1/2
9 1/2	4 1/2 AdmRsc	.93	3	14	7	7	7	-	-1/2
3 1/2	1 1/2 AdvFin	~	14	105	1%	1	1	-	-1/2
11 1/2	11 1/2 AdvMag	~	11	15	14%	15	15	-	-1/2
3 1/2	3 1/2 AdvMedT	~	20	2842	0.3%	3%	3	-	-1/2
4	4 1/2 AdvPhot	~	110	37%	1	1	-	-1/2	
1 1/2	1 1/2 Aerofson	~	15	20	2%	2	2	-	-1/2
12 1/2	7 1/2 Aerovac	~	10	100	5%	5	5	-	-1/2
3 1/2	2 1/2 Aerovac	~	28	37	5%	5	5	-	-1/2
7 1/2	5 1/2 Alber	~	19	15	2%	2	2	-	-1/2
12	6 1/2 AlberW	~	12	6	10%	10	10	-	-1/2
5 1/2	12 AlertCn	~	65	2%	2	2	-	-1/2	
16 1/2	12 Alkrogen	1.44	9.3	17	174	15%	15	-	-1/2
4 1/2	5 1/2 AlkaDoll	~	172	4%	5%	5	5	-	-1/2
2	2 1/2 AlkaWtA	~	100	1%	1	1	-	-1/2	
9 1/2	2 1/2 Alkrofsh	~	25	4%	4	4	-	-1/2	
10 1/2	3 1/2 Alkrofsh	~	11	98	8%	8	8	-	-1/2
10	3 Alphaman	~	578	9%	9	9	-	-1/2	
2 1/2	3 1/2 Alphaman	~	245	5%	5	5	-	-1/2	
13	5 1/2 Amphi	~	16	2002	10%	10	10	-	-1/2
19 1/2	14 1/2 AMPI-RT	1.50	9.4	12	10	10	10	-	-1/2
35	21 1/2 Amplus	.20	6	12	10	10	10	-	-1/2
5 1/2	2 1/2 AmerEco	~	40	2%	2	2	-	-1/2	
1	1 1/2 AExpi	~	98	9%	9	9	-	-1/2	
5 1/2	3 1/2 AFPMR n	~	200	3%	3	3	-	-1/2	
4	2 1/2 AIM 84	1.13	34.1	8	27	3%	3	-	-1/2
16	12 AIM 85	1.24	107	7	72	13%	13	-	-1/2
12	12 AIM 86	1.12	102	10	77	17%	17	-	-1/2
14	11 AIM 88	1.45	10.3	2	27	11%	11	-	-1/2
52	21 AIMrel	1.95	21	2	27	11%	11	-	-1/2
34	18 1/2 Amrel4	.48	20	13	77	34%	34	-	-1/2
14	17 1/2 Amrel5	.68	20	13	77	34%	34	-	-1/2
15	5 1/2 AmerPog	.64	9.8	15	62	7%	7	-	-1/2
6	2 1/2 AsciE	~	26	22	6%	6	6	-	-1/2
37	5 1/2 AmShrd	~	11	12	22	6%	6	-	-1/2
13	2 1/2 Ampol	~	16	584	7%	7	7	-	-1/2
27	2 1/2 Ampol Wt	~	765	10%	10	10	-	-1/2	
28	9 1/2 Ampol	.36	2.8	10	127	1%	1	-	-1/2
6	2 1/2 Anhinga	~	23	65	10%	10	10	-	-1/2
11 1/2	2 1/2 AngFor	~	11	6	6%	6	6	-	-1/2
13	4 1/2 Anhucco	~	25	15	10%	10	10	-	-1/2
10	7 Arrow A	~	11	12	7%	7	7	-	-1/2
8 1/2	2 Arithm	~	11	158	2%	2	2	-	-1/2
9 1/2	2 1/2 Arithm n	~	120	20%	2	2	-	-1/2	
3 1/2	3 1/2 Aristic	~	32	122	3%	3	3	-	-1/2
7 1/2	2 1/2 Aristic	~	28	36	3%	3	3	-	-1/2
16	6 1/2 Ariscam	~	162	7%	7	7	-	-1/2	
1	2 1/2 Audios	~	18	78	7%	7	7	-	-1/2
9 1/2	2 1/2 Audrei	~	372	2%	2	2	-	-1/2	
17 1/2	2 1/2 Azco II	~	372	2%	2	2	-	-1/2	

B													
16	11	BAT's	80e	57	1023	14%	14	14%	14%	14%	14%	14%	14%
11	10	BHC		10	25	72%	72%	72%	72%	72%	72%	72%	72%
26	19	BaderM	.73	32	13	7	27%	27%	27%	27%	27%	27%	27%
10	4	Baker				964	4%	4	4	4	4	4	4
11	4	Bald			21	180	5%	5%	5%	5%	5%	5%	5%
73	13	BanFd	1.24e	0.8	16	38	19.4%	19.4%	19.4%	19.4%	19.4%	19.4%	19.4%
9	4	BarbSh	22	32	14	1	6%	6%	6%	6%	6%	6%	6%
16	11	BatCo	1.88	85	35	21	21%	21%	21%	21%	21%	21%	21%
75	14	BT Co	1.90	89	163	21	21%	21%	21%	21%	21%	21%	21%
2	1	Bon-Hi			89	15	21%	21%	21%	21%	21%	21%	21%
76	14	Bors-LB			31	11	71%	71%	71%	71%	71%	71%	71%
24	1	Bors-Pr			40	11	71%	71%	71%	71%	71%	71%	71%
21	13	Borw-PG	60	36	19	2	16%	16%	16%	16%	16%	16%	16%
5	3	Bouyou			13	91	4%	4%	4%	4%	4%	4%	4%
37	19	BS-MR	2.01	57		110	37%	37%	37%	37%	37%	37%	37%
7	1	Bul-Mot				34	1	1	1	1	1	1	1
29	22	Bunge			19	73	26%	26%	26%	26%	26%	26%	26%
96	80	Burgo	4.00e	4.2		4	85%	85%	85%	85%	85%	85%	85%
3	1	Beth-Cp				166	3%	3%	3%	3%	3%	3%	3%
23	14	Bent-AI	40	20	25	19	20%	20%	20%	20%	20%	20%	20%
4	11	Bent-A			20	93	26%	26%	26%	26%	26%	26%	26%
12	12	Bent-P			19	5	25%	25%	25%	25%	25%	25%	25%
10	4	Bentrem				167	8%	8%	8%	8%	8%	8%	8%
17	9	Bew-G				22	10%	10%	10%	10%	10%	10%	10%
12	9	Bev-C	79	6.9		2	11%	11%	11%	11%	11%	11%	11%
12	9	Bev-F	79	2.1		1	11%	11%	11%	11%	11%	11%	11%
12	9	Bev-T	79	7.0		8	11%	11%	11%	11%	11%	11%	11%
17	11	BibourCo	2.06e	5.5	9	10	37%	37%	37%	37%	37%	37%	37%
17	11	Birk-Jones	35	25	12	43	14%	14%	14%	14%	14%	14%	14%
28	22	Blouard	57	12	17	32	47%	47%	47%	47%	47%	47%	47%
15	12	Bodde	1.24	4.9	17	32	12%	12%	12%	12%	12%	12%	12%
2	2	Bomar				11	31%	31%	31%	31%	31%	31%	31%
30	3	Bonmar pr	3.00	71		7	4%	4%	4%	4%	4%	4%	4%
24	15	Boum	36	23	9	189	16%	16%	16%	16%	16%	16%	16%
19	11	Braunst	76	15	17	25	18%	18%	18%	18%	18%	18%	18%
15	11	Brentr	1.04	82		68	12%	12%	12%	12%	12%	12%	12%
3	2	Brock-Cp			67	35	4	4	4	4	4	4	4
3	1	Brython			4	76	1	1%	1%	1%	1%	1%	1%
C													
19	15	C&C-Cp	92b	53	13	3	17%	17%	17%	17%	17%	17%	17%
2	4	CC-Fin			5	172	5	5	5	5	5	5	5
3	4	CM	84e	11.6		5	7%	7%	7%	7%	7%	7%	7%
9	5	CMICo			6	117	6%	6%	6%	6%	6%	6%	6%







